



# ***Daily Report***

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## **China**

FBIS-CHI-93-204  
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# Daily Report

## China

FBIS-CHI-93-204

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25 October 1993

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

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## General

### UN Envoy Discusses Nuclear Testing, Arms Control

OW2310183393 Beijing XINHUA Domestic Service in Chinese 1234 GMT 23 Oct 93

[By reporter Gao Jian [7559 1017]

[Text] United Nations, 22 Oct (XINHUA)—Hou Zhitong, PRC representative to the 48th Session of the UN General Assembly, addressed a meeting of the UN Disarmament and International Security Committee on 22 October. In his speech, he elaborated on China's stand and views on nuclear testing, arms control, and other issues.

Hou Zhitong said: China supports an early start of negotiations for a comprehensive nuclear test ban treaty and will actively participate in the negotiations and work in common with other countries toward concluding such a treaty by 1996.

He said: China has always favored a total test ban and the thorough destruction of nuclear weapons. It stands for a comprehensive nuclear test ban within this framework. Proceeding from this fundamental position, China has always exercised great restraint in nuclear testing. The number of tests China has conducted is very small.

Hou Zhitong said: China fully sympathizes with the earnest wishes of nonnuclear countries for an early start of negotiations toward a comprehensive nuclear test ban treaty. China, however, believes that it is far more crucial—more crucial than a treaty on a comprehensive nuclear test ban—for all countries with nuclear weapons to undertake not to use nuclear weapons at all. Such a commitment would represent a more effective step toward the goal set by the nuclear Nonproliferation Treaty.

In speaking of arms control, Hou Zhitong pointed out: The Chinese Government has always taken a serious and earnest attitude on the question of nonproliferation. We are firmly against the proliferation of all weapons of mass destruction. At the same time, we hold that the ultimate objective of mankind should be the complete prohibition and thorough destruction of those weapons.

In his speech, Hou Zhitong criticized hegemonist practices on the issue of arms control. He said: "We oppose the all-too-frequent, arbitrary use of sanctions by one country to bring pressure to bear on another under the pretext of controlling arms transfers while engaging in massive arms sales of one's own weapons which jeopardize the sovereignty and security of the country concerned. We also denounce the hegemonic conduct [ba quan zhu yi xing jing 7218 2938 0031 5030 5887 1777] of a self-styled 'world cop' who tramples on international law and norms of international relations by endangering another country's navigational safety and normal trade on the excuse of enforcing the ban on chemical weapons and in disregard of the provisions of the relevant international conventions."

In conclusion, Hou Zhitong pointed out: The vast number of developing nations have consistently called for the

establishment of nonproliferation mechanisms—ones that are based on fairness, rationality, and nondiscrimination and that are reached through negotiations with the universal participation of the international community—to replace the discriminatory export control system devised and controlled by a handful of exporting countries. This reasonable stand should receive the recognition and support it deserves.

### Li Ruihuan Meets WHO Director General

OW2310062293 Beijing XINHUA in English 0515 GMT 23 Oct 93

[Text] Beijing, October 23 (XINHUA)—Chinese leader Li Ruihuan said international co-operation is of great significance in promoting China's public health.

During a meeting with Director-General Hiroshi Nakajima of the World Health Organization (WHO) here today, Li said that the Chinese Government appreciates the useful work who has done in promoting the health standards of developing countries and will, as always, continue to support and participate in the programs sponsored by WHO.

Nakajima is on his fifth visit to China since 1988 when he became WHO director-general and he will also attend an international conference on maternal and child care and family planning here.

Li Ruihuan, said that the Chinese Government attaches great importance to health work and by doing well in the public health work in a country with a population of over 1.1 billion, it means a great contribution to the development of the health standards of the world.

But, due to limitations of materials and cultural level, China, as a developing country, has a long way to go to bridge the big gap with developed countries, said Li, who also serves as the chairman of the national committee of the Chinese People's Political Consultative Conference.

Fundamentally, Li noted, China has to rely on itself in improving the medical and health care levels while learning from other countries and taking an active part in all kinds of international cooperation.

He promised to cooperate better with who which has provided China with technical assistance and constantly expanded the scope of cooperation with China.

Nakajima spoke highly of the importance China attaches to health work, saying that China is quite developed with regard to primary health services and may well serve as an example in maternal and child care and in family planning.

### Song Jian Addresses World Environment Meeting

OW2410095493 Beijing XINHUA Domestic Service in Chinese 0751 GMT 13 Oct 93

[Text] Beijing, 13 Oct (XINHUA)—The Third World Meeting on Engineering and Environmental Matters opened here yesterday at Qinghua University. About 300

environmental scientists and engineers from more than 20 countries and regions are attending academic gathering.

Jointly sponsored by the China Association for Science and Technology, China Environmental Engineering Society, and the Environmental Engineering Department of Qinghua University, the meeting is a major event sponsored by the World Federation of Engineering Societies for the purpose of conducting a global exchange of experience in the fields of environmental science and engineering, promoting international cooperation, and organizing joint efforts to solve global pollution problems. The theme of the meeting is to prepare environmental protection technologies—including advanced technologies for clean production, ozone protection, and pollution control—for the 21st century.

Song Jian, state councillor, minister in charge of the State Science and Technology Commission, chairman of the State Council's Environmental Protection Committee, is the meeting's honorary chairman; Qu Geping, chairman of the Environmental Protection Committee of the National People's Congress, is the meeting's chairman.

Comrade Song Jian said at the meeting: A major success or failure by any nation or region in terms of environmental development will have an impact on the world and its future, for we all live on the same globe and we are all bound by a common cause. Therefore, we hold that, on the issue of environment and development, all nations and regions must have in mind the common, long-term interest of mankind, correctly handle the relations between environment and development, and earnestly cooperate with one another on the basis of a clear division of responsibility and active participation.

He said: China is a big country with a population close to 1.2 billion. It is a developing country crying out for development. We are very clear about the responsibility on our shoulder. China has always taken an active part and fulfilled its obligations in international environmental protection affairs with a cooperative, and earnest approach. After the UN Conference on Environment and Development [UNCED], the Chinese Government has issued a "Ten-Point Policy on Environmental Protection and Development." All the departments of the State Council as well as nongovernmental organizations are making constant efforts to implement the UNCED's guidelines, draft China's agenda for the next century, spread clean-production technologies and nonpolluting hi-tech items in the industries, and devise and implement environmental protection standards and systems. All these efforts are designed to explore—in terms of economics, management, technology, and other fields—a pattern of sustained development suitable for China's national conditions so that while promoting economic development and improving living standards we will not repeat the same tragic mistake of polluting the environment.

### **Li Lanqing Meets Canadian, Hong Kong Delegations**

*OW 2210092993 Beijing XINHUA in English 0910  
GMT 22 Oct 93*

[Text] Beijing, October 22 (XINHUA)—The aim of China's macro-economic control policies is to maintain

the steady, rapid and sound momentum of domestic economic development. Chinese Vice-Premier Li Lanqing said here today.

When meeting with Allan R. Taylor, chairman and chief executive officer of the Royal Bank of Canada, Li said that the foreign investment China absorbed last year equaled the total of that in the previous 13 years.

Many foreign companies have good cooperative relations with China now, said Li.

Li briefed the visitors on China's reform and opening process and its economic situation. The two sides also exchanged views on economic, trade and financial issues.

Taylor expressed appreciation for the efforts the Chinese Government has made in economic construction.

Taylor and his five-member entourage are here on a three-day visit as guests of the Bank of China.

Before the meeting today, Li held a talk with a delegation of outstanding young industrial entrepreneurs from Hong Kong, headed by Eddy S.H. Li, president of the China-Hong Kong Economic and Trade Association (HKT).

The vice-premier answered questions on the current Sino-British talks on Hong Kong issues and China's resumption of its contracting status in General Agreement on Tariffs and Trade.

The six Hong Kong visitors arrived here yesterday to engage in exchange activities with Beijing-based entrepreneurs.

### **Li Lanqing Interviewed by British Publication**

*OW 2210092893 Beijing XINHUA in English 0902  
GMT 22 Oct 93*

[Text] Beijing, October 22 (XINHUA)—Chinese Vice-Premier Li Lanqing was interviewed here today by Alex Nicoll, Asia editor of British "FINANCIAL TIMES" and his colleagues.

Li answered questions concerning China's economic situation, deepening of reform and Sino-foreign economic and trade relations.

### **Commentary Says Uruguay Round Prospects 'Dim'**

*HK2210153593 Beijing XINHUA Domestic Service in Chinese 0223 GMT 21 Oct 93*

[Commentary by staff reporter Pan Yongming (3382 3087 2494): "The Prospects for the Uruguay Round of Talks Are Dim"]

[Text] Beijing, 21 Oct (XINHUA)—The Eighth Round of Global Multilateral Trade Talks, known as the Uruguay Round of multilateral trade talks, has continued for over seven years, since January 1986. Earlier this year, the relevant parties concluded an agreement on ending the Uruguay Round of talks before 15 December of this year. This deadline will be pushed back due to the major

controversy between Europe, the United States, Japan, and other developed nations on market entry as well as trade in agricultural, audio, and video products and may even ruin what has already been achieved at the Uruguay Round of trade talks.

The first controversy centers on market entry, which is the main topic at the Uruguay Round. The goal is to reduce trade tariffs to a minimum, to abolish nontariff barriers, to practice free trade, and to promote economic development. These problems have been discussed for many years. In July this year, major Western trade partners—EC, the United States, Japan, and Canada—finally concluded an overall agreement in Tokyo on market entry. They agreed to abolish tariffs on eight categories of industrial products, including medicine, construction machinery, medical equipment, steel, iron, and furniture. They also agreed to reduce the high tariffs on textiles and semiconductor products. At that time people generally believed that this agreement would lay a foundation for the success of the Uruguay Round of talks. More than two months later, people discovered that the relevant parties had completely different understandings of this agreement. The EC pointed out that the already-concluded agreement should enter into force and that tariffs on the relevant products could be reduced or exempted as long as the participants at the Uruguay Round of talks abided by the agreement, whereas the United States and Japan insisted that this agreement could only be taken as the basis for the relevant parties' talks. Such being the case, the EC indicated that, in order to break the deadlock, it would present a market entry price list reducing the tariffs on industrial products under 40 tariff categories by 33 percent. It also proposed reducing the tariffs on high-tariff products by 50 percent. The United States responded coolly to this proposal, however. A U.S. representative said that the Tokyo agreement demanded a 38 to 42 percent reduction on all tariffs, not 33 percent.

The second controversy is on trade in agricultural products. The EC-U.S. controversy over trade in agricultural products started a long time ago. To strengthen the international market competitiveness of their agricultural products, the EC and the United States have paid for many years significant subsidies to support their exported agricultural products. To reduce these subsidies, the EC and the United States held talks on many occasions during the Uruguay Round and finally reached a draft agreement in November 1992. According to this agreement, the EC should reduce exports of subsidized grain by 21 percent as of June 1994, and the acreage of oil-bearing crops by 15 percent. This draft agreement was firmly opposed by France—the No. 1 agricultural country—as soon as it was announced. Obviously, France, for the sake of its own interests, was not willing to make a concession on agricultural products. France claimed that this agreement had sacrificed the European farmers' interests and paved the way for unfair trade competition between the United States and Europe. Therefore, it insisted on abolishing the agreement and holding talks again. Subsequently France made it possible for the EC and the United States to hold two rounds of talks on agricultural trade, but no progress

was made. Recently France proposed keeping agricultural trade out of the Uruguay Round of talks, but this proposal was firmly opposed by the Keynes Group—an organization of 14 agricultural product exporting nations. This group said that, because agricultural trade is an important aspect of the Uruguay Round of talks on market entry, it should not be excluded from the talks.

The third controversy centers on audio and video products. The United States pointed out that these products were industrialized commodities and should therefore be included in the Uruguay Round of talks to ensure free trade in audio and video products. For its part, the EC insisted that audio and video products fell into the category of culture and were thus different from ordinary products. Therefore, to protect the characteristics of different national cultures, a special trade policy should be exercised on audio and video products, and these products should not be included in free trade. Of course, trade in audio and video products involves not only the characteristics of different national cultures but also tremendous economic interests. Statistics show that the U.S. favorable balance of trade in audio and video products amounts to more than \$30 billion a year and that over 80 percent of audio and video markets in Europe are occupied by U.S. products. Evidently, the EC and the United States will engage in a fierce battle of strength over this issue.

The current trade structure that took shape over the decades since the end of the war has made major contributions to promoting world prosperity; however, it has been steadily corroded by all kinds of protectionist measures for many years and is now falling apart. It must be replaced by a new structure. According to an estimate, if the Uruguay Round of multilateral trade talks is successful, it will help reduce tariffs by 30 percent as well as some nontariff barriers. Countries around the world will be able to reap \$213 billion in benefits.

For this reason, people from different circles are concerned about the controversy between the EC and the United States outlined above. People are generally of the opinion that Western developed nations should undertake responsibility for the failure or success of the Uruguay Round of talks and have urged them to end the Uruguay Round of multilateral trade talks by 18 December, because this is the "real deadline" which cannot be prolonged any more. GATT chief Sutherland recently stressed that, if the Uruguay Round of talks fails, this will be the stupidest thing that the leaders of various countries have done in this century and that different countries in the world will suffer losses. Some Western developed nations have indicated that the Uruguay Round of talks should end as early as possible, but they do not take action. Some countries, including France, explicitly pointed out that the conditions are not yet ripe for signing the Uruguay Round agreement. This has put the success of the Uruguay Round of talks into question, because the French position does not represent a single country; it is a member of the EC, and its decision will affect the positions of the other 11 EC members. Evidently, the prospects for the Uruguay Round of talks are quite dim.

### Gao Shangquan at International Exchanges Symposium

HK1810150593 Beijing ZHONGGUO XINWEN SHE in English 1325 GMT 18 Oct 93

[Text] Beihai, October 18 (CNS)—Deputy Director-General of the China Comprehensive Development Institute, Mr. Gao Shangquan, speaking at an international symposium on Sino-South Korean economic and intellectual exchanges being held here, said that generally speaking, China's reform could only be pushed forward step by step and make a gradual transition. It could not be moved forward using "shock therapy". Gradual advancement, according to its practice in the past, is first to make trials and then to spread the experiences made in the trials to a wider area in the country.

He said that China's reform first started in the rural areas and then was gradually introduced to the cities, first in the special economic zones and then shifted their patterns and experiences into the coastal areas and from there into the inland area. First it developed the township, individual and private economies and three type foreign-funded enterprises, strengthening the role of the market mechanism in these before going on to transfer this into the state-owned economy.

Mr. Gao said that strenuous methods of reform would surely bring about social turbulence and would ultimately harm the reform itself. China would not introduce "shock therapy" into its reform, but the country would, however, take bigger and faster steps in its reform. Reform had now entered an historical stage and the country must be determined to solve deep levels of contradictions and work out some important reform measures in order to speed up the transition of the new socialist market economy system and avoid big losses.

### Astronautical Council Head Meets UN Space Chief

OW2510061593 Beijing XINHUA Domestic Service in Chinese 0731 GMT 19 Oct 93

[By reporter Yang Huanqin (2799 3562 0530)]

[Text] Vienna, 18 Oct (XINHUA)—Liu Jiyuan, president of China's Council of Astronautical Federation, met with Jasentuliyana, chief of the UN Outer Space Affairs Division, in Graz today. They exchanged views on ways to strengthen bilateral ties.

Liu Jiyuan briefed Jasentuliyana on the progress of China's astronautical undertakings and the increased cooperation between China and the Asia-Pacific region in recent years. Jasentuliyana was pleased with China's effort to promote astronautical cooperation in the region. He expressed his support for the conference on multilateral cooperation in astronautics and its application in the Asia-Pacific region, to be held in Bangkok in 1994.

Jasentuliyana added that the astronautical cooperation between China and the United Nations has progressed very well. He hoped to further strengthen the cooperation.

On behalf of China's Council of Astronautical Federation, Liu Jiyuan presented as gifts to the UN Outer Space Affairs Division a model of the Long March-2 E-type carrier rocket and photographs of satellite-launching. Jasentuliyana thanked for the gifts.

### China Coal '93 Exhibit Opens in Beijing

OW2510074993 Beijing XINHUA in English 0735 GMT 25 Oct 93

[Text] Beijing, October 25 (XINHUA)—China Coal '93—an international exhibition of coal-mining equipment and technology—opened here today.

More than 140 companies from 14 countries and regions in the world are participating in the five-day display of advanced equipment and technology, ranging from prospecting and coal-mining to environmental protection, computer application and health care for miners.

"This is the biggest such fair in recent years," said an official from the Ministry of Coal Industry.

About 100 foreign companies are showing their newest products at the exhibition in order to get a share in a potentially vast market—and some of the equipment on display has already been tagged with "sold" signs.

China is rich in coal reserves. The consumption of coal accounts for more than 70 percent of the country's total consumption of primary energy sources. This situation will remain for a long time ahead, experts believe.

It is estimated that China will raise its coal output from 1.11 billion tons in 1992 to 1.23 billion in 1995 and 1.4 billion by the end of this century.

Use of better technology was the strategy for developing China's coal industry, which lags far behind the world's most advanced coal producers, said the ministry official.

"The holding of this exhibition will enhance the exchange of technology of coal-mining between Chinese and foreign partners," he added.

The newly-formed Ministry of Coal Industry is aimed at scaling up the quality of China's coal-mining. Fifty advanced coal mines are expected to be operational in 1995 to set examples of high output and high efficiency for the backward parts of the industry in China.

Among the world's advanced coal producers, Britain and Germany organized national delegations with senior government and company officials to attend the exhibition.

### Pyeongyang To Host 1995 East Asian Games

SK2510082993 Seoul YONHAP in English 0823 GMT 25 Oct 93

[Text] Beijing, Oct. 25 (YONHAP)—The East Asian Games Council [EAGC] has awarded the second East Asian games to the North Korean capital. China's XINHUA News Agency said Monday in a Pyongyang-dated story.



The games will take place on Sept. 20 through Oct. 1, 1995, it said.

South and North Korea, China, Japan, Taiwan, Mongolia, Hong Kong, Macao and Guam belong to the EAGC, which has been meeting since Saturday in Pyongyang to decide the host city and the date.

The meeting, which ends Tuesday, has selected 14 events to be contested by 2,000 athletes and officials from the nine countries that are expected to attend the Pyongyang games.

### United States & Canada

#### Li Lanqing on Cooperation in Sino-U.S. Trade

HK2510091393 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0635 GMT 25 Oct 93

[By reporter Li Wei (2621 0251)]

[Text] Beijing, 25 Oct (ZHONGGUO XINWEN SHE)—When meeting with U.S. guests this morning, Chinese Vice Premier Li Lanqing said: The United States is the world's biggest developed country boasting advanced technology, while China is the world's biggest developing country with abundant resources and an enormous market. Cooperation between the two countries combines the advantages of both sides and is very beneficial to both. China's basic policy is that of readiness to cooperate with the United States, not to look for trouble [ma fan 7802 3565]. We hope the U.S. Government shares this attitude.

Li Lanqing pointed out that what counts in the days to come will be nothing but cooperation, for there is no other choice.

Li Lanqing made the above remarks when meeting with the American Gaosheng [7559 4141] Company 1993 China Investment Study Delegation headed by senior adviser, Lord Griffiths [ge li fei si 2706 6849 5481 1835].

Griffith told Li Lanqing that the company had sent this delegation to China because it is highly optimistic about China's reform, opening up, and economic development and believes that China's rapid economic growth will continue. He said: This visit to China is not aimed at short-term profits but for long-term considerations. "Things can be handled well only with trust."

During the 65-minute meeting, Li Lanqing answered questions on various economic issues raised by the guests.

In reply to questions on China's agricultural development, Li Lanqing emphasized: If there were a grain shortage in China, the whole world would not even be able to save China. China has to rely on its own resources to solve the food problem for Chinese people, who make up 22 percent of the world's population. For the sake of world peace and development, China must ensure that the grain it produces is enough to feed its people. He said: At present, China imports around 20 million tonnes of grain each year while exporting more than 10 million tonnes. The imports and exports are, on the whole, balanced.

Li Lanqing said: Western China is rich in natural resources. China has formulated development strategies to energetically strengthen the exploitation of the western regions by utilizing foreign investment.

When answering pertinent questions, Li Lanqing also said: China is speeding up economic legislation and will continue to do so, in light of the needs of the establishment and development of a socialist market economy.

Gaosheng is a strong American company specializing in financial and securities business. The delegation arrived here yesterday to begin a four-day visit to China at the invitation of China's Ministry of Foreign Trade and Economic Cooperation [MOFTEC]. The purpose of their visit is to investigate the fields in which the company can invest in China.

Wu Yi, MOFTEC minister, attended the meeting.

#### Reportage on Joint Technology, Engineering Meeting

##### Jiang Zemin Addresses Participants

OW 2310074693 Beijing XINHUA in English 0718  
GMT 23 Oct 93

[Text] Beijing, October 23 (XINHUA)—Chinese President Jiang Zemin said here today that China will introduce more talented people from abroad in a more active way, but based on self-reliance.

The president made this remark this morning when he met with the overseas Chinese participants at a five-day Sino-U.S. technology and engineering conference, which closed here Friday [22 October].

Jiang said he was glad that over 40 overseas Chinese experts had been able to get together with their domestic counterparts to discuss technology and engineering, and he congratulated them on the success of the conference.

Chinese economic development needs the progress of science and technology, Jiang said, and science and technology should, in turn, serve economic construction.

He said that science recognizes no national boundaries, and China's policy towards science is that it will strengthen its international co-operation and exchanges, adopt and draw upon all the progress created by the mankind, and actively introduce technical and professional personnel from abroad.

Sources said that since 1979, when China started to implement its policies of reform and opening up, the country has employed over 310,000 experts from abroad and sent some 180,000 Chinese people abroad to receive training.

In recent years more than 40,000 experts have come to work in China each year, and more than 30,000 Chinese people from industrial and commercial enterprises have been sent abroad to study.

4During the meeting in the Great Hall of the People Hong Chiu Chen, chairman of the U.S. organizing committee for the conference, and other experts raised proposals for the development of China's aviation, industrial automation, transportation, energy, environmental protection, and science and technology.

Jiang said that departments concerned will further study their suggestions and carry them out.

State councillor and Secretary-General of the State Council Luo Gan was present at the meeting.

#### **Zou Jiahua Speaks at Conference Closing**

OW 2210165593 Beijing XINHUA in English 1449  
GMT 22 Oct 93

[Text] Beijing, October 22 (XINHUA)—A five-day Sino-U.S. technology and engineering conference ended here today.

Vice-Premier Zou Jiahua attended and spoke at the closing ceremony.

During the conference, 97 papers were submitted by over 100 Chinese experts from both home and the United States.

Moreover, eight proposals concerning China's economic development were also put forward.

#### **State Councillor Li Tieying Meets U.S. Economists**

OW 2110054393 Beijing XINHUA in English 0451  
GMT 21 Oct 93

[Text] Beijing, October 21 (XINHUA)—Chinese State Councillor Li Tieying met here this morning with representatives attending the Beijing 1993 Sino-American senior symposium on finance and securities.

They had a cordial and friendly conversation on further strengthening Sino-U.S. co-operation and exchanges in finance and securities, and on other issues of common interest.

Li, also minister in charge of the State Commission for Restructuring the Economy, said that China's securities sector is at the primary stage, and China will draw lessons from the experience of the developed Western countries, especially in stock standardization, so as to accelerate China's reform and opening-up.

The five-day symposium, which opened October 18, attracted more than 200 people from China and the U.S., including Dr. Harry Markowitz, winner of the Nobel Prize for economics in 1990 and initiator of the modern portfolio theory, J. Carter Beese, vice-chairman of the U.S. Securities and Exchange Commission (SEC), and Richard Breeden, former chairman of the SEC.

#### **Meets U.S. Nobel Prize Economist**

OW 2310123593 Beijing XINHUA in English 1212  
GMT 23 Oct 93

[Text] Shanghai, October 23 (XINHUA)—Chinese State Councillor Li Tieying met with Milton Friedman, a Nobel Prize winning economist of the United States, and his party, here today.

Sha Lin, deputy mayor of Shanghai, was present at the meeting.

#### **Shanghai Vice Mayor Meets U.S. Secretary Espy**

OW 2310031393 Shanghai People's Radio Network in Mandarin 2300 GMT 21 Oct 93

[From the "Morning News" program]

[Text] Vice Mayor Zhao Qizheng met with a high-level delegation from the U.S. Department of Agriculture, led by its secretary, Mike Espy, at the Jinjiang Hotel yesterday evening.

Vice Mayor Zhao Qizheng briefed the American guests on Shanghai's economic construction, especially the development and opening up of the New Pudong District. He hoped U.S. investors would continue to maintain their lead in the district. Secretary Espy said he would earnestly consider Vice Mayor Zhao Qizheng's suggestion on establishing an agricultural demonstration zone in Shanghai.

At a 21 October news conference, Foreign Ministry Spokesman Wu Jianmin said: The U.S. agricultural secretary's visit to China is conducive to improving Sino-U.S. relations. China welcomes President Clinton's proposal on expanding bilateral exchanges.

#### **U.S. Officials Meet Foreign Affairs Expert**

OW 2410022293 Beijing XINHUA Domestic Service in Chinese 1216 GMT 23 Oct 93

[By reporter Ying Qian (2019 6197)]

[Text] Washington, 22 Oct (XINHUA)—Anthony Lake, U.S. presidential assistant on national security affairs, Robert Rubin, chairman of the U.S. National Economic Council, and David Gergen, senior U.S. presidential counselor, met with Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs, at the White House on 22 October. Liu Shuqing is here for a visit. The two sides exchanged views on Sino-U.S. relations.

During the meeting, Lake and the others said: President Clinton attaches great importance to the Asia-Pacific region and regards China as an important country in the region and in the world at large. Clinton has noticed China's robust economic development and its important international role.

They continued: Because Sino-U.S. relations are very important [shi fen zhong yao 0577 0433 6850 6008], we hope that both sides will work together to overcome difficulties to ensure that relations between the two countries will continue to develop smoothly. They also

expressed their appreciation for the efforts made by the Chinese People's Institute of Foreign Affairs to promote Sino-U.S. contacts in various fields.

Liu Shuqing said: China and the United States share vital interests in the present-day world. Improving Sino-U.S. relations not only represents the aspirations of people in the two countries but can also help promote peace and stability in the Asia-Pacific region and in the world at large. He expressed his hope that through contacts in various fields, China and the United States would enhance mutual understanding and trust, seek common ground while reserving differences, mitigate trouble, and work together to further their relations.

#### **Anhui Governor Previews Trip to U.S., Canada**

HK2410075393 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 24-30 Oct 93 p 3

[By Ren Kan: "Anhui Looks To Canada and U.S. for Investment"]

[Text] The governor of Anhui Province is expected to lead dozens of local entrepreneurs with their pockets full of projects on a visit to the United States and Canada next month.

Anhui Governor Fu Xishou said he expects the trip will pave the way for closer co-operation between his province and counterparts in Canada and the United States, especially the State of Maryland.

The province is looking for concrete results from this trip, hoping to stimulate its co-operation with Maryland, which set up friendship relations with Anhui in 1980.

The Anhui delegation will bring more than 30 co-operation projects in the fields of energy, machinery, automobile and metallurgical industries and environment protection to the two countries.

Some of them are expected to sign contracts with American or Canadian partners during their stay in the two countries, Fu said.

These co-operative projects include the establishment of a Sino-U.S. joint venture producing small cars and vans.

The project, involving a total investment of \$50 million, is expected to have an annual production capacity of 30,000 small cars and 10,000 vans.

The Anhui entrepreneurs will also negotiate with American investors about importing the know-how and equipment for production of superthin glass.

It is possible contracts will be signed for projects involving 200 million yuan (\$35 million) of investment during the visit, Fu said.

The Anhui delegation will also further discuss their technical and capital co-operation with American partners in the construction of an electric power station.

The power station, installing two 300,000-kilowatt generators, will involve a total investment of 2.2 billion yuan (\$385.9 million).

Fu said his province has also beefed up its moves to attract more overseas investors to the inland province.

Earlier this year, the province sent a delegation to Hong Kong, trying to lure more overseas investors.

During the first eight months of this year, the province has approved 797 foreign-funded firms with \$458 million in contracted overseas investment.

By the end of this year, the province is expected to have 2,000 foreign-funded ventures.

The province has vowed to open wider to attract overseas capital to give a shot in the arm to the Anhui economy, which is set to boom in the coming decade.

During the Eighth Five-Year Plan (1991-95), the province is expected to witness an average annual increase rate of 10.5 per cent in GNP.

Two cities, Hefei and Huangshan, have been chosen to lead the upcoming economic boom.

The province is planning to set up seven industrial bases in steel, cement, petrochemical, nonferrous metals, energy and agricultural products processing and high-tech.

To support its ambition, the province is planning to pour 110 to 120 billion yuan (\$19.3-\$21 billion) into fixed assets investment in the 1991-95 period.

#### **Shandong Secretary Meets Canadian Delegation**

SK2210030493 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 21 Oct 93

[Text] Jiang Chunyun, member of the Political Bureau of the CPC Central Committee and secretary of the provincial party committee, cordially met with a high-ranking investment and trade delegation from Canada's business circles at Jinan's Nanjiao Guesthouse on the morning of 21 October. Mr. (Feng Fengzhi), president of the Canadian (Taishan) Company, was the honorary leader of the delegation, and Madam (Peng Anna), executive vice president of the (Nongyuan) Group, was its leader. The host and the guests held friendly talks.

Mr. (Feng Fengzhi), is the son of Feng Yuxiang, former Kuomintang patriotic general. The purpose of the visit of the delegation is to promote economic and trade cooperation between Canada, mainly Toronto and Shandong and probe the possibility of investment and cooperation in the province and the establishment of friendly ties with it.

During the meeting, Jiang Chunyun said happily: As Confucius said, what a delight it is to have a friend coming from afar. We heartily welcome your visit. With abundant resources and great potential in the market, Shandong has entered the stage for rapid development. We welcome your active and bold investment and development and wish that you will enter our large market and continuously expand economic and trade cooperation with us.



Mr. (Feng Fengzhi) said: The patriotic enthusiasm of my father Feng Yuxiang has always inspired me. As his son, I should do my best for the economic construction of the motherland.

Comrade Jiang Chunyun spoke highly of the dedication of the patriotic general Feng Yuxiang and his son to the service of the country.

The delegation signed agreements and letters of intention on cooperation with pertinent departments and enterprises of the province in many fields.

Li Chunting, deputy secretary of the provincial party committee and vice governor of the province, and responsible comrades of departments concerned were present at the meeting.

### Central Eurasia

#### Ambassador Received By Tajik Official

OW2410185893 Beijing XINHUA Domestic Service in Chinese 0647 GMT 16 Oct 93

[By reporter Wan Chengcai (8001 2052 2088)]

[Text] Moscow, 15 Oct (XINHUA)—News from Dushanbe: Tajikistan Supreme Council Chairman Rakhmonov noted that the situation in Tajikistan is stable and that he hoped Chinese entrepreneurs would invest in joint ventures in Tajikistan.

Rakhmonov made these comments in a meeting with PRC Ambassador to Tajikistan Xi Zhaoming [6741 3564 2494] on 15 October.

Rakhmonov said that his visit to China earlier this year marked a turning point in Tajik-Chinese relations. The two nations have made new strides in cooperation in economic, scientific, and technological, cultural, and other fields. He also stated that he believed the potential for cooperation between the two countries in these fields needs to be tapped through the establishment of joint ventures, the expansion of scientific, technological, and cultural exchanges, and the introduction of regular air services.

Ambassador Xi Zhaoming said: The Chinese Government and people attach great importance to the development of friendship and cooperation with Tajikistan. We believe that trade and economic cooperation will grow as the domestic situation in Tajikistan stabilizes step by step.

#### Judicial Assistance Treaty With Russia Ratified

OW2210012193 Beijing XINHUA Domestic Service in Chinese 0646 GMT 16 Oct 93

[By reporter Wan Chengcai (8001 2052 2088)]

[Text] Moscow, 15 Oct (XINHUA)—A ceremony for signing a document certifying the exchange of the ratification instrument for the treaty on judicial assistance for civil and criminal cases between the PRC and the Russian Federation was held at the Russian Foreign Ministry on 15 October.

Chinese Ambassador to Russia Wang Jinqing and Russian Vice Foreign Minister Kunadze signed the document.

The Sino-Russian treaty on judicial assistance for civil and criminal cases will go into effect 30 days after the date on which its ratification instrument was exchanged. The treaty will lay a legal foundation for cooperation between the two countries in judicial assistance for civil and criminal cases.

In a speech delivered after the end of the document-signing ceremony, Ambassador Wang Jinqing said: Both sides have established good ties of cooperation in the fields of economy, trade, science and technology, culture, and education in recent years. As the two countries continuously strengthen cooperation and exchanges in all fields of endeavor, it is also necessary for them to further strengthen cooperation in judicial assistance for civil and criminal cases.

#### Rumors About Thousands Killed in Moscow 'Refuted'

OW1610004693 Beijing XINHUA in English 0022 GMT 16 Oct 93

[Text] Moscow, October 15 (XINHUA)—Moscow Interior Ministry forces commander, Major General Arkady Baskayev, today refuted rumors about "thousands of dead bodies" allegedly found in the parliament building, or the White House.

The White House, where speaker Ruslan Khasbulatov, Vice President Aleksandr Rutskoy, about 600 members of the parliament and over 1,000 their armed supporters held up, was captured by pro-Yeltsin troops in a bloody battle on October 4.

Baskayev told a news conference here this afternoon that a little more than 40 persons killed or wounded in the clash were removed from the White House during October 4 and 5.

But sources here still believe the number of the deaths and injuries was in fact much higher than what the major general disclosed.

According to an official announcement earlier, there were at least 187 killed and 437 injured during the October 3-4 bloody confrontation in the Russian capital.

The commander told reporters that 921 pieces weapons were found inside the parliament building, including 160 automatic rifles, a machine-gun, several sniper rifles, a grenade launcher and a self-made flame thrower.

Moreover, 101 trap-mines, more than 180 explosive devices of different types, 300 kilos of TNT and about 50 hand grenades.

The number of fire arms carried out of the building via underground tunnels remains unknown, Baskayev said.

On the same day, Aleksandr Pochinok, who heads a commission in charge of the transfer of the parliamentary property and documents, told reporters that the damage

done to the White House during the battle earlier this month was estimated at about 5.5-7.5 million U.S. dollars.

### **Russia's Gaydar Calls For Market Reforms**

*OWI 10034793 Beijing XINHUA in English 0214  
GMT 17 Oct 93*

[Text] Moscow, October 16 (XINHUA)—Russian First Vice-Premier Yegor Gaydar today described further market reforms as the only way to stabilize the situation in the country.

"We do not promise easy ways of resolving problems, we can promise just a few but feasible things: stability of power and stable legislation protecting private property," Gaydar, widely regarded as the architect of Russia's economic reforms, said at the founding congress of the "Russia's Choice" political bloc.

"The road to stability in Russia lies in consistent and quiet market reforms," he added.

Gaydar, who had been forced to quit from the cabinet last December as acting prime minister under pressure from the parliament, was brought back by President Boris Yeltsin last month.

The newly-named first vice-premier voiced his readiness "to remove some roadblocks in the way of conducting reforms."

"We are forced to assume responsibility for difficult decisions on the eve of elections to prevent an economic collapse," Gaydar said.

Now, especially after the bloody battle between the president and the parliament earlier this month, most Russians are looking attentively at what Yeltsin and his cabinet would do in governing the nation in face of economic troubles.

Gaydar said measures will be taken in the near future to limit subsidies and easy credits. Import subsidies will be drastically slashed from November 1, he added.

### **Russian 'Presidential' Party Opens Congress**

*OWI 10040093 Beijing XINHUA in English 0239  
GMT 17 Oct 93*

[Text] Moscow, October 17 (XINHUA)—The constituent congress of the "Choice of Russia" political bloc, a powerful "presidential" party to win the coming general elections, opened here Saturday [16 October].

The bloc's leaders and participants include many prominent members of the Russian Government and presidential team, such as first Vice Premiers Yegor Gaydar and Vladimir Shumeiko and foreign minister Andrey Kozyrev.

Sergey Filatov, aide of President Boris Yeltsin and also head of the presidential staff, attended the meeting and conveyed to it the greetings of the president.

He said: "The Choice of Russia bloc, which is being formed, will become the basis for the consolidation of all

democratic forces and establishment of their coalition, relying on which the president will lead the reforms to the end."

Gaydar told the congress that all responsibility for the political and economic situations was shouldered by the president and the government.

Kozyrev said the bloc should become the "party of dignity of the great power," proposing that President Yeltsin "work till the end of his term, and then presidential elections be held."

Shumeiko claimed that one of the bloc's major aims is to win the upcoming parliamentary elections. He stressed that the coalition should give birth to a "ruling party."

The congress will continue in Moscow's Cinema House Sunday with the participation of some 1,000 deputies from 84 Russian republics, territories and regions. Cabinet members and about 50 administration heads are among the participants.

The idea on forming the "presidential" party, was initiated by Gaydar and some other Yeltsin supporters last April.

### **Pro-Yeltsin Forces Reportedly 'Regrouping'**

*OWI 10041293 Beijing XINHUA in English 0343  
GMT 19 Oct 93*

[ "News Analysis" by Zhang Tiegang "Pro-Yeltsin Forces Regroup for Parliament Election" ]

[Text] Moscow, October 19 (XINHUA)—Russia's pro-Yeltsin forces, which supported the president in fighting the former parliament, have become more active in regrouping in the past few days aiming to obtain more seats in a new parliament.

The actions of forming election blocs for the general elections scheduled for December 11-12 show that all the pro-Yeltsin factions try to have a decisive say in the future legislative body.

Last weekend, the "Russia's Choice" bloc, which covers the main forces of Yeltsin supporters, held its two-day constituent congress during which they preliminarily finalized their organizational shaping.

"Russia's Choice" brought together the bulk of politicians closest to the president, among whom are most of the government members including first Vice-Premier Yegor Gaydar, who is now leader of the bloc and the movement bearing the same name.

Since last April when Gaydar initiated to form such a bloc, the "Russia's Choice" movement has taken shape in different regions of Russia.

On the eve of the creation of the "Russia's Choice" bloc last weekend, Gaydar was elected leader of the movement, which is the main force compared with the "Democratic Russia" movement and a few minor democratic organizations in the bloc.

It is now clear that the "Russia's Choice" bloc has been formed as the basis of the future "presidential party," or "ruling party," as the local media pointed out, the bloc "has every chance of scoring a considerable number of votes in the elections," and may become the biggest group in the state Duma (lower house of the federal parliament).

The bloc has already named 14 candidates for the December election of the state Duma. The list headed by Gaydar and another First Vice-Premier Vladimir Shumeyko also includes Foreign Minister Andrey Kozyrev, some members of the presidential team and other prominent politicians.

However, several leaders of "Democratic Russia," including Gleb Yakunin and Lev Ponomarev and the president's close aide Gennadiy Burbulis, did not get enough votes at the bloc's congress and were not put on the list of candidates.

The "Democratic Russia" leaders, unsatisfied with the results, threatened earlier to leave the bloc if their interests were harmed. But Gaydar, voicing his regret over the results, said: "There are two options: agree with results of the vote or leave the bloc."

This might be an omen of further quarreling within the just-formed bloc.

Moreover, a new party (the PRUA) [Party of Russian Unity and Accord] led by First Vice-Premier Sergey Shakhrai was formed at the same time. The PRUA, another major political force now in Russia, has its own local organizations in more than 50 of the 89 republics, territories and regions of the Russian Federation.

"A young promising politician and ranking jurist," Shakhrai, 37, "has always been a close comrade-in-arms of President Yeltsin," observers here noted. But, now he has decided to "act on his own," the young major cabinet member has been reportedly ready also to run for presidency in the future.

He has decided to play "a regional card," well aware that policy is now being made not only in Moscow, sources close to the Kremlin analyzed.

To win more supporters, the PRUA party leader will stand for the rights of local regions and integrate their interests with those of the Russian state as a whole, according to the sources.

In addition, Shakhrai has succeeded in attracting to his team some major politicians known across Russia such as presidential adviser Sergey Staukevich and former chairman of the Council of Nationalities in the former parliament Ramazan Abdulatipov.

The list of candidates Shakhrai's party is going to put forth also enjoys a good chance to win in the upcoming elections.

#### **'News Feature' on Moving Lenin's Remains**

OW2110060993 Beijing XINHUA in English 0301  
GMT 21 Oct 93

["News Feature" by Zhang Tiegang]

[Text] Moscow, October 20 (XINHUA)—Vladimir Lenin, who has rested in his mausoleum near the Kremlin wall for nearly 70 years, now has to think "what's to be done" again as the Russian authorities are planning to remove his remains from the Red Square.

Lenin (real name: Ulyanov), the founder of the Soviet Union, died on January 21, 1924, at the age of 54. During his lifetime, the communist movement leader wrote a lot of works including the famous "What's To Be Done?"

In the book, Lenin stressed that in order to win the political struggle the party must be led by a group of "professional revolutionaries" who would not be tempted to concentrate on short-term objectives or "reformist" compromises.

After the mausoleum was erected in the Red Square on January 27, 1924, guards of honor were placed at the "guard post number 1 in the country." Since then, two handsome armed guards, led by a head guard, would relieve the sentry every hour at the entrance to the mausoleum.

In the past few decades, many people, including foreigners and even those who hate communism, have paid their respects to the remains of Lenin, while many newly weds laid their flowers at the mausoleum.

However, soon after the "abortive coup" in the Kremlin in August 1991, Russia's pro-Yeltsin "democrats" urged the then Soviet leader Mikhail Gorbachev to remove the Lenin Mausoleum from the Red Square and bury Lenin's remains elsewhere.

The issue of the mausoleum has been unsettled since the former Soviet Union was broken up into 15 independent states in late 1991. Lenin followers oppose the removing of the remains, stressing the need to keep the Bolshevik leader in memory.

As the first step, the guards were removed on October 6, one day after the pro-Yeltsin troops captured the parliament buildings, or the White House, and arrested former parliament speaker Ruslan Khasbulatov and Vice President Alexander Rutskoy.

In the ensuing two weeks, the Red Square has been blocked by interior ministry troops while the Lenin Mausoleum been guarded by unarmed police. People who want to enter must pass a body search.

Those who protested near the Red Square against the authorities' move over the mausoleum issue were detained by police.

Despite such a situation, a great number of citizens or foreigners, including tourists from the United States and Europe, have visited the mausoleum in the past two weeks.

In recent days, it has been reported that a decree is being drawn up in the "apparatus of the Russian president" to rebury Lenin's remains.

A 44-year-old Kremlin official, who asked not to be identified, told XINHUA outside the mausoleum: "It is unnecessary to remove the remains of Lenin because he was a part of our history."

But Moscow Mayor Yuri Luzhkov said: "By interring Lenin's body in accordance with his will, the present authorities will rectify the mistake of their predecessors."

He said he had addressed an appeal to President Boris Yeltsin, asking for permission to remove the remains "from the Red Square mausoleum and to bury them next to the graves of Lenin's mother and sister on Volkovo Cemetery in St. Petersburg."

The mayor believes that the interment of Lenin's body is even more necessary because Lenin had never said he would have his body to be embalmed after his death.

The problem of reburying Lenin's remains, Luzhkov said, is inalienably linked with the need to restore the historical appearance of Red Square, which was turned into a cemetery by the country's former leaders.

In addition, the authorities are also ready to transfer the remains of a number of former Soviet leaders (including Joseph Stalin and Leonid Brezhnev), who were buried in the Kremlin wall and the Moscow Novodevichyo Cemetery, to some other cemeteries if so desired by their relatives.

"The graves on the Red Square and the mausoleum upset the stylistic unity of the ancient architectural complex and marred its initial beauty," the mayor stressed.

Official sources said a Russian presidential team is also planning to replace the five-point stars on the towers of the Kremlin with traditional symbols of the Russian state.

An old-aged Russian academic asked: "If Lenin, who together with his Bolshevik comrades toppled the Russian tsar dynasty and established the Soviet Union over half a century ago, was still alive, how he would think and what he may do?"

### Northeast Asia

#### Li Peng Attends Sino-Japanese Economic Meeting

##### Views U.S. Ties, Economy, Hong Kong

OW2210185593 Beijing XINHUA Domestic Service in Chinese 1320 GMT 22 Oct 93

[By RENMIN RIBAO reporter Yu Qing (0060 7230) and XINHUA reporter Zhou Shuchun (0719 2885 2504)]

[Text] Beijing, 22 Oct (XINHUA)—State Council Premier Li Peng expressed his views about China's economic situation, Sino-U.S. ties, and the Hong Kong issue at a meeting this afternoon in Zhongnanhai's Ziguangge with Takuhiko Tsuruta, president of the NIHON KEIZAI SHIMBUN and the leader of a Japanese delegation to China to attend the fifth Sino-Japanese economic symposium, and his party.

Premier Li Peng congratulated the successful convening of the Sino-Japanese economic symposium. He said: The symposium will help our Japanese friends further understand China's current economic situation, enhance their understanding of the meaning of China's socialist market economy, and help promote the development of Sino-Japanese economic cooperation. Activities of this kind are therefore useful.

Premier Li Peng answered questions from his guests during the meeting.

As for measures adopted recently by China for macroeconomic regulation and control, Li Peng said: Macroeconomic regulation and control measures are characterized by a predominant use of economic means, and we have scored initial results with these measures. Such measures are not expedient ones, and they deserve attention throughout the process of establishing a socialist market economy. We believe these are the chief characteristics of a socialist market economy: public ownership as the dominant part of the economy, and a market mechanism which forms the basis for economic operations and the distribution of resources. To enable that basis to function, we should rely on macroeconomic regulation and control, not spontaneity. He said: By gradually regularizing macroeconomic regulation and control through practice, China's economy, with the prerequisite of enhanced efficiency, will develop in a sustained, rapid, and healthy way.

He said: China's future economic construction will focus on such basic industries and infrastructures as agriculture, communications, energy, and telecommunications. Foreign investment is currently moving toward these areas. He expressed his hopes that Japanese economic circles will expand cooperation with China in these areas.

When his guests noted that the appearance of urban Beijing had changed greatly in recent years, Li Peng said: The changes were indeed not small, but much work is still needed to improve housing for its residents. We will build more residential buildings in the future.

Speaking about informal meetings between leaders at the upcoming Asia-Pacific Economic Cooperation meeting in Seattle, the United States, Li Peng said, President Jiang Zemin will be present by invitation and will meet with U.S. President Clinton. The meeting between the top Chinese and U.S. leaders is of great significance [zhong yao yi yi 6850 6008 1942 5030] in itself.

He said: China is the biggest developing nation, and it has a huge market and vast economic potential, the United States is the most economically developed nation. The improvement and development of Sino-U.S. ties not only conform to the fundamental interests of the peoples of the two countries, but they will benefit world peace and stability. There's no denying that there are differences and difficulties in Sino-U.S. ties, but there also exists a wide range of common interests. Just as President Jiang Zemin put it, our attitude toward the issue of Sino-U.S. ties is to increase trust, reduce troubles, develop cooperation, and avoid confrontation.

Answering his guests on the state of the current Sino-British talks, Li Peng said: China and Britain signed the Sino-British Joint Declaration and other important agreements on the issue of Hong Kong; these documents form the basis for the solution to the issue. If we abide strictly by existing agreements, the Hong Kong issue will not be difficult to solve. As early as September 1982, Comrade Deng Xiaoping, in his talks with Margaret Thatcher, comprehensively expounded China's principled position on resolving the Hong Kong issue and pointed out with great foresight the problems or setbacks that might occur. Chinese and British Government representatives are currently in the midst of negotiations, and our attitude is to strive to reach agreement. We have held such a positive attitude from the start of the talks, and our objective in doing this is to ensure a smooth transition and long-term prosperity and stability in Hong Kong. Of course, whether an agreement can be reached will not depend on the Chinese side alone.

Present at the meeting were Ding Guangen, member of the CPC Central Committee Political Bureau, member of the CPC Central Committee Secretariat, and director of the Central Propaganda Department, as well as RENMIN RIBAO Director Shao Huaze.

The fifth Sino-Japanese economic symposium was sponsored jointly by RENMIN RIBAO and the NIHON KEIZAI SHIMBUN.

#### **Meets Head of Japanese Delegation**

OW2210134693 Beijing XINHUA in English 1329  
GMT 22 Oct 93

[Text] Beijing, October 22 (XINHUA)—Chinese Premier Li Peng, in meeting with a group of Japanese journalists here today, said that macro-control measures will continue throughout the process of building up a socialist market economy.

Li Peng spoke on issues concerning China's economic situation, Sino-U.S. relations and the Hong Kong issue, when he met this afternoon with President Takuhiko Tsuruta, of the Japan Economic Journal, and his party, who were here to attend the fifth Sino-Japanese economic symposium.

The Chinese premier first praised the successful convening of the symposium, which he said would help enhance the Japanese friends' knowledge of China's economic situation, and in particular, their understanding of the socialist market economy, which China was striving to build up, and as a result, contribute to the expansion of Sino-Japanese economic cooperation.

"Activities of this kind are very useful," Li said.

On the macro-control measures China has taken in recent months, Li said they were characterized by a predominance of economic means, and have achieved initial results.

However, macro control, which was not a temporary emergency measure, deserved attention throughout the process of establishing a socialist market economy, he said.

Generalizing on the chief characteristics of the socialist market economy, Li said that public ownership was dominant in such an economy, where market mechanism formed a basis for economic operations and the distribution of resources. However, the market mechanism depended on macro control for exerting its functions, which were therefore not spontaneous.

The macro control would be increasingly regularized through practice in the future, so as to ensure a sustained, rapid and healthy development of the Chinese economy, with the prerequisite of enhanced efficiency, he said.

China's future economic development would focus on such basic industries and infra-structure as agriculture, communications, energy and tele-communications, Li said, adding that at present, foreign investment was moving towards just those areas, where he hoped to see more Sino-Japanese cooperation.

When a Japanese journalist spoke of vast changes in Beijing's appearance, Li said that the changes were indeed big, but much work needed to be done to improve people's housing. He promised more residential buildings for urban dwellers.

#### **Anniversary of China-Japan Peace Treaty Marked**

##### **Li Peng, Hosokawa Exchange Messages**

OW2210182093 Beijing XINHUA in English 1734  
GMT 22 Oct 93

[Text] Beijing, October 22 (XINHUA)—Chinese Premier Li Peng and Japanese Prime Minister Morihiro Hosokawa today exchanged messages on the occasion of the 15th anniversary of the signing of the China-Japan peace and friendship treaty.

China and Japan concluded the treaty on October 23, 1978.

Li said in his message that the principles stipulated in the treaty have great vitality and are of practical significance for maintaining bilateral relations and promoting their development on a long-term, stable basis.

Still greater development of the good-neighborly and friendly relations and cooperation between the two countries will undoubtedly be attained in the course towards the 21st century, thus making still greater contributions to the cause of peace and progress of mankind, so long as both sides strictly observe the principles and spirit of the friendship treaty, increasingly promote mutual understanding and trust and strengthen cooperation and coordination, the Chinese premier said.

In his message, Hosokawa said that the significance of the treaty which is aimed at establishing friendly relations between the two countries and contributing to world peace and stability will undoubtedly become larger with the passage of time.



Chinese Vice Premier and Foreign Minister Qian Qichen and his Japanese counterpart Tsutomu Hata also exchanged messages on the occasion.

They shared the view that the governments and peoples of the two nations will, as always, make joint efforts in accordance with the principle and spirit of the treaty so as to give a fresh impetus to the Sino-Japanese good-neighborly and friendly relations and cooperation.

#### **Japanese Ambassador Hosts Banquet**

OW2210162193 Beijing XINHUA in English 1410  
GMT 22 Oct 93

[Text] Beijing, October 22 (XINHUA)—Japanese Ambassador to China Michihiko Kunihiro hosted a banquet here this evening to celebrate the 15th anniversary of the signing of the treaty of peace and friendship between China and Japan.

Among those attending the banquet were Chinese Vice-Premier and Foreign Minister Qian Qichen, Assistant Foreign Minister Qin Huasun and as well as the successive Chinese ambassadors to Japan since the normalization of Sino-Japanese diplomatic relations.

#### **NPC's Wang Guangying Meets Japanese Visitors**

OW2410091493 Beijing XINHUA in English 0849  
GMT 24 Oct 93

[Text] Beijing, October 24 (XINHUA)—Wang Guangying, vice-chairman of China's National People's Congress (NPC) Standing Committee, met with a delegation from the Japan-China Friendship Association of the Japan Junior Chamber of Commerce headed by its chairman Takashi Nozu here today.

The Japanese visitors arrived here this afternoon as guest of the All-China Youth Federation, whose visit is aimed at acquainting themselves with China's reform and opening up, promoting contacts between the young businessmen of the two countries and exploring ways for bilateral economic cooperation.

#### **NPC Vice Chairwoman Meets Japanese Delegation**

OW2310091393 Beijing XINHUA in English 0841  
GMT 23 Oct 93

[Text] Beijing, October 23 (XINHUA)—Chen Muhua, vice-chairwoman of China's National People's Congress (NPC) Standing Committee, met here today with a Japanese delegation headed by Kawakatu Kenji, chairman of the Sanwa Bank of Japan.

In a friendly conversation, they expressed their willingness to strengthen bilateral exchanges in financial and economic fields.

The eight-member delegation arrived here yesterday as guest of the Bank of China.

#### **CPPCC Official Meets Japanese Visitors**

OW2310062593 Beijing XINHUA in English 0559  
GMT 23 Oct 93

[Text] Beijing, October 23 (XINHUA)—Qian Zhengying, vice-chairwoman of the national committee of the Chinese People's Political Consultative Conference (CPPCC), today met with a Japanese delegation headed by Fujita Takatoshi, former member of the House of Representatives of the Social Democratic Party.

During their meeting in the Diaoyutai State Guesthouse, Qian and Fujita Takatoshi exchanged views on the expansion of the bilateral contacts.

The 10-member delegation arrived here Wednesday [20 October] as guests of the China-Japan Friendship Association. Wang Xiaoxian, vice-president of the association, was present at the meeting.

The Japanese visitors are expected to travel to the cities of Xian, Guilin and Shanghai.

#### **Jiangsu Delegation Meets DPRK's Kim Yong-sun**

OW2510052293 Beijing XINHUA Domestic Service in Chinese 1635 GMT 17 Oct 93

[By reporter Gao Haorong (7559 3185 2837)]

[Text] Pyongyang, 17 Oct (XINHUA)—Kim Yong-sun, candidate member of the Political Bureau of the Korean Workers' Party [KWP] Central Committee and secretary of the KWP Central Committee, met with a friendship delegation of the Jiangsu provincial CPC committee in Pyongyang today.

At the meeting, Kim Yong-sun said: The friendly exchanges and contacts at different levels between the KWP and the CPC is good for the strengthening of friendship between the two parties. He hoped to continue strengthening exchanges of this kind to promote sustained development of friendship between the two parties and countries.

He spoke highly of the results scored by the Chinese people in adhering to the Four Cardinal Principles, and deepening reform and opening up under the CPC's leadership, and wished the Chinese people even greater achievements in their undertaking of building socialism with Chinese characteristics.

Qiao Zonghuai, Chinese ambassador to the DPRK, attended today's meeting.

The friendship delegation of the Jiangsu Provincial CPC Committee, headed by deputy secretary Cao Keming, arrived in Pyongyang for a visit on 11 October.

#### **DPRK Provincial Delegation Visits Jilin**

SK2410073393 Changchun JILIN RIBAO in Chinese 9 Oct 93 p 1

[Text] At the invitation of the Jilin Provincial Trade Union Council, a six-member professional alliance delegation from North Hamgyong Province of the DPRK,

headed by Pak Kyok-chong, vice chairman of the North Hamgyong Provincial Professional Alliance Committee, arrived in Changchun on 7 October to start its 10-day friendly visit to Jilin Province.

On the evening of 7 October at Nanhu Guesthouse, Liu Yazhi, member of the standing committee of the provincial party committee and director of the organizational department of the provincial party committee, met with the delegation.

On behalf of the provincial party committee and the provincial government, Liu Yazhi warmly welcomed the delegation and also introduced to the guests the situation of building Jilin into a developed border and near-the-sea province.

Present at the meeting were responsible persons of the provincial trade union council, the provincial foreign affairs office, and the Changchun city trade union council. The delegation will pay friendly visits to Beijing, Jilin city, and the Yanbian Korean Nationality Autonomous Prefecture.

#### **NPC Vice Chairman Meets ROK Delegation**

*OW 2410031693 Beijing XINHUA in English 0252  
GMT 24 Oct 93*

[Text] Beijing, October 24 (XINHUA)—Wang Hanbin, vice-chairman of China's National People's Congress Standing Committee, met with a Seoul municipal government delegation from the Republic of Korea (ROK) led by its Mayor Yi Won-chong at the Great Hall of the People here this morning.

The delegation arrived here on October 22 for a goodwill visit to China at the invitation of the people's government of the Beijing municipality.

Li Qiyun, mayor of the Beijing municipality, and Yi signed an agreement on the establishment of friendly ties between Beijing and Seoul and a memorandum of program exchanges for 1994 yesterday evening.

Extending his warm welcome to Yi and his party, Wang said China is willing to develop its friendly relations and cooperation with countries all over the world, especially with the surrounding neighbors including the ROK.

He said it is his hope that the delegation's current visit to China will promote the growth of the friendly ties, economic cooperation and trade between the two cities and the two countries.

Developing such relationship is not only beneficial to the stability on the Korean peninsula, but also to the peace and development in the Asia-Pacific region.

Yi told Wang that his city has already established its friendly ties with a dozen of cities in the world. To cement friendly relations between Seoul and Beijing, he stressed, is of great importance because these two cities have much in common in such areas as population, transportation and housing.

He expressed the belief that the exchanges between the two cities will be conducive to solving the problems existing in the respective cities.

#### **Beijing, Seoul Establish Twin-City Ties**

*OW2310164393 Beijing XINHUA in English 1533  
GMT 23 Oct 93*

[Text] Beijing, October 23 (XINHUA)—Li Qiyun, mayor of Beijing, capital of China, and Yi Won-chong, mayor of Seoul, capital of the Republic of Korea (ROK), today signed an agreement here to establish twinning relations between the two capitals.

The agreement said that the two cities would develop cooperative and friendly exchanges in such spheres as economy, trade, science and technology, urban construction and management, public health, culture, sports and environment.

The cooperation will take various forms and will be conducted on the basis of equality and mutual benefit, according to the document signed at the Great Hall of the People.

Since China and ROK established diplomatic ties, exchanges between the two cities have been frequent. By the end of September ROK investments in Beijing had reached 95 million U.S. dollars and the number of joint ventures, cooperative as well as wholly ROK-funded enterprises, in Beijing amounted to 114.

Earlier, Chen Xitong, secretary of the Beijing Municipal Committee of the Communist Party of China, and Li met with Yi Won-chong and his party.

Also signed here tonight were a memorandum on strengthening economic exchanges and coordination between the two cities and a memorandum on projects for mutual friendly exchanges.

Seoul is Beijing's 17th twinned city.

### **Southeast Asia & Pacific**

#### **Interview With Lao Vice Foreign Minister**

*OW2510013893 Beijing XINHUA Domestic Service in Chinese 1414 GMT 16 Oct 93*

[By Li Guotian (2621 0948 3944)]

[Text] Vientiane, 16 Oct (XINHUA)—Lao Vice Foreign Minister Phongsavath Bouppha spoke to a XINHUA reporter here today: "The current development of Lao-Chinese relations is better than we anticipated. There are no major problems that need to be solved."

He said: Since Lao-Chinese relations were normalized, the exchange of visits by leaders of the two countries has increased steadily. The visits by Premier Li Peng, Vice Premier Zou Jiahua, and Defense Minister Chi Haotian have strengthened friendly relations between the governments, armies, and people of the two countries.

He said: Economic relations and trade between the two countries have developed rapidly. Border trade between the two sides is very brisk. Laotian markets are now filled with Chinese-made commodities. Daily necessities, such as piece goods and home electrical appliances, are especially popular with the Laotians.

The vice foreign minister, who was formerly an ambassador to China, said: China's investment in Laos is also growing. Thus far, a dozen or so Chinese companies have set up offices in Vientiane. Joint ventures between the two sides are on the rise. Moreover, cultural and educational cooperation is also being strengthened.

### **NPC Vice Chairman Buhe Meets Lao Guests**

*OW2510062193 Beijing XINHUA in English 0608  
GMT 25 Oct 93*

[Text] Beijing, October 25 (XINHUA)—Buhe, vice-chairman of the National People's Congress [NPC] Standing Committee, met here today with a delegation from the Lao-Chinese Association of Friendship headed by its President Sisavat Keobounphan.

The delegation, invited by the Chinese People's Association for Friendship With Foreign Countries, arrived in Beijing last Saturday [23 October].

### **Wu Yi Addresses China-New Zealand Trade Meeting**

*OW2110052593 Beijing XINHUA in English 0201  
GMT 21 Oct 93*

[Text] Wellington, October 21 (XINHUA)—China is making unremitting efforts to enable its economic operating mechanism consistent with the international practice and norms with a view to fully integrating the country's economy with the world's, a senior Chinese official has said today.

As part of the endeavor, China has been committed to an early resumption of its legal status in the GATT, said Chinese Minister of Foreign Trade and Economic Cooperation Wu Yi.

Co-chairing the opening of the 16th annual meeting of the China-New Zealand [NZ] Joint Trade and Economic Commission with NZ Deputy Prime Minister and Foreign Affairs and Trade Minister Don McKinnon, Wu Yi reiterated China's set policy of reform and opening to the outside world while extending support to New Zealand's efforts to shift its trade focus to Asia.

The Chinese Government appreciated NZ Government's move to attach great importance to developing trade and economic relationships with the Asian-Pacific region including China, Wu said, adding "this is a far-sighted policy in line with the trend prevailing in the world."

The minister defined the trade and economic cooperation between the two countries as "inspiring." Over the past year, there had been a steady increase in the two-way trade, with the total trade volume in the 1992/93 financial year ending June amounting to 480 million U.S. dollars.

China had increased its imports of New Zealand's chemical fertilizer, barley and coal in addition to continuing buying a large quantity of New Zealand wool, timber and pulp. While at the same time China's electronic and machinery products including household electronic appliances such as color television sets had entered NZ market.

New progress had also been registered in bilateral investment. New Zealand has so far had some 70 investment projects in China and some of NZ's new technology had been introduced to China. A typical example was the implementation of the CNG (compressed natural gas) project for automobile use in China's Xinjiang Uygur Autonomous Region.

Chinese enterprises in New Zealand have on the other hand expanded their business to include not only forestry but also real assets, fishery and beverage production.

Along with the gradual switching of China's economy to socialist market economy, Chinese interests would be increasingly involved in NZ and the opportunities for economic cooperation between the two countries would be brighter, the minister noted.

### **Australia 'Opposed' to China in U.S. Subsidy Program**

*OW1910090593 Beijing XINHUA in English 0756  
GMT 19 Oct 93*

[Text] Canberra, October 19 (XINHUA)—The Australian Government today strongly opposed the extension of the United States Export Enhancement Program (EEP) for barley exports to China.

Australia is "particularly dismayed" at the expansion of subsidized exports by the U.S., Foreign Minister Gareth Evans and Acting Minister for Primary Industries Michael Lee said in a joint statement today.

They made the reaction to the latest U.S. announcement of the EEP barley program for 1993-94, which is aimed at 14 countries and regions for a total of 3.375 million tons of barley exports.

"The inclusion of China (in the program) is a particularly unhappy development," the ministers said.

The EEP allocates 100,000 tons of U.S. subsidized malting barley to China, which has not been eligible for the program previously, in the 12 months to September next year.

The ministers' response has been made amid fears that the U.S. move will hurt the interests of Australian farmers. It also reflected Australia's disappointment at the U.S. trade policy in export subsidizing.

China is Australia's largest barley exports market. Australia sold to China nearly 400,000 tons of malting barley, worth 54 million U.S. dollars, last year.



"It is very disappointing in the light of our repeated requests that the EEP program not be extended to sensitive markets which are important to Australia," the ministers said.

The Australian Government will convey its "deep concern" on the EEP barley program to the U.S. authorities, they said.

### Sub-Saharan Africa

#### Qian Qichen Receives Official From Benin

OW 2010095693 Beijing XINHUA in English 0932  
GMT 20 Oct 93

[Text] Beijing, October 20 (XINHUA)—China-Benin cooperation has been conducted on the basis of equality and mutual benefit, and China consistently attaches great importance to enhancing ties with African countries, said a high-ranking Chinese official.

Qian Qichen, vice-premier and foreign minister, made the remark this afternoon when meeting with Andre-Guy Ologoudou [name as received], Benin's secretary general of foreign affairs and cooperation.

After briefing the visitors on China's domestic situation, Qian said that the fundamental solution to Africa's economic problems was a steady political situation, the unity of the people, and persistence in reform and opening.

Qian said he believed that the African people will overcome present problems and achieve great success in economic construction.

Ologoudou said that the two countries cooperate well and hold common viewpoints on many issues.

He congratulated Qian on China's economic development and said he hoped bilateral exchanges would be expanded.

Ologoudou and his assistant arrived here one week ago on a 10-day visit to China as guests of the Chinese Ministry of Foreign Affairs.

Chinese Vice Foreign Minister Yang Fuchang has held talks with the Benin visitors on important international issues and bilateral relations.

#### Beijing Donates Supplies to Mozambique

OW 2510021493 Beijing XINHUA Domestic Service in Chinese 0636 GMT 22 Oct 93

[By reporter Liu Dalong (0491 1129 7893)]

[Text] Maputo, 21 Oct (XINHUA)—Mr Shiheng, Chinese ambassador to Mozambique, today donated supplies with a value of 2 million Renminbi (RMB) to the Mozambican Government on behalf of the Chinese Government.

Mr Shiheng and Mozambican Minister of Cooperation Jacinto Veloso attended today's handing over ceremony and signed a document on behalf of their governments.

Veloso expressed his gratitude to the Chinese Government and people for the selfless aid on behalf of the Mozambican Government. He said: "There has always been traditional friendship and cooperation between Mozambique and China and between the people of the two countries. For many years, Mozambique has been receiving support and assistance from the Chinese Government and people. He wished further development of traditional friendship between Mozambique and China and between the people of the two countries."

The supplies donated by China included woolen blankets, knit wears, shoes, stationary, and other daily necessities.

#### PRC Exports Exhibition Opens in Johannesburg

OW 0810204093 Beijing XINHUA in English 1913  
GMT 8 Oct 93

[Text] Johannesburg, October 8 (XINHUA)—China exports exhibition 1993 opened here today with more than 80 Chinese corporations participating.

This is the first largest trade fair held in South Africa after African National Congress (ANC) President Nelson Mandela appealed to the international community to lift economic sanctions against South Africa on September 24 in the United Nations General Assembly.

Mayor of Johannesburg Les Dishi cut ribbon for the official opening of the exhibition, which is scheduled to conclude on October 12.

### Latin America & Caribbean

#### Chi Haotian Receives Peruvian Military Delegation

OW 1910114593 Beijing XINHUA in English 1125  
GMT 19 Oct 93

[Text] Beijing, October 19 (XINHUA)—General Chi Haotian, Chinese State Councillor and minister of national defence, met with and feted General Victor Malca, Peruvian minister of defence, and his party here this evening.

The Peruvian visitors arrived here this morning as guests of the Chinese Ministry of National Defence. During their stay in China, they will tour Beijing, Nanjing and Guangzhou.

#### Ni Zhifu Meets Cuban, Panamanian Trade Unionists

OW 1810125793 Beijing XINHUA in English 1225  
GMT 18 Oct 93

[Text] Beijing, October 18 (XINHUA)—Ni Zhifu, president of the All-China Federation of Trade Unions, met here today with Cuban trade union delegate Joaquin Bernal and the delegate from Panamanian trade union, Elberto Luis Cobos.

Ni, also vice-chairman of the Standing Committee of the Chinese National People's Congress, had a friendly talk with the visitors.

**Chen Muhua Receives Mexican Party Delegation**

OW2410113293 Beijing XINHUA in English 1117  
GMT 24 Oct 93

[Text] Beijing, October 24 (XINHUA)—Chen Muhua, vice-chairperson of China's National People's Congress (NPC) Standing Committee, met and had a cordial, friendly talk with a delegation from the Revolutionary Institutional Party of Mexico here this evening.

The delegation, led by Roberta Lajous Vargas, secretary of the international affairs of the National Executive Committee of the Mexican party, arrived here on October 21 as guests of the International Liaison Department of the Chinese Communist Party Central Committee.

**Haiti's Aristide Denies Charges of Mental Illness**

OW2310124893 Beijing XINHUA in English 1219  
GMT 23 Oct 93

[Text] Washington, October 22 (XINHUA)—Exiled Haitian President Jean-Bertrand Aristide today rejected reports that he had suffered from mental problems.

In an interview with the U.S. "MacNeil/Lehrer News Hour," Aristide branded the reports as "garbage."

Meanwhile, the Central Intelligence Agency (CIA) briefed members of the Congress on a classified report that Aristide, who had been deposed in 1991 after a military coup, was treated at a mental hospital in Canada in 1980.

His lawyer, Michael Barnes, denied this, saying: "President Aristide has been hospitalized once in his life - as a boy he was treated for hepatitis.

"He has not suffered from nor been treated for any mental problems," Barnes declared in a statement.

Aristide alleged in the interview that drug traffickers could have put forward the charges of his mental instability.

The U.S. Senate briefing on the report was arranged by Senator Jesse Helms, who called Aristide "a demonstrable killer" and a "psychopath."

Helms opposes the possible deployment of U.S. Forces in Haiti to help Aristide return to power in the Caribbean Nation.

Under a U.N.-backed agreement reached in July in Governor's Island in New York harbor, Aristide is due to return to power on October 30, shortly after the resignation of military leader Raoul Cedras.

The general, who should have stepped down one week ago along with Police Chief Michel-Joseph Francois, has demanded that the Parliament write into law an amnesty for those who took part in the 1991 coup.

Last Monday, a ship with U.S. and Canadian soldiers on board, dispatched under the governors's agreement to train Haitian military and police, was barred from landing at Port-au-Prince, the Haitian capital prompting the United Nations and the Organization of American States (OAS) to reimpose an oil and weapons embargo against the island nation.

The United States, fearful of a fresh flow of refugees to its coast, has not ruled out the possible deployment of armed forces there to restore Aristide.

**Political & Social****Party, Government Offices Ordered To Sever Economic Ties**

*OW2310020193 Beijing XINHUA in English 0150  
GMT 23 Oct 93*

[Text] Beijing, October 23 (XINHUA)—The Chinese Communist Party Central Committee and the State Council have ordered all party and government offices to sever ties with economic entities they have established.

The General Offices of the party Central Committee and the State Council have jointly issued a set of new regulations to that effect as part of the current anti-corruption campaign.

The regulations, which was publicized today, state that no party or government offices at and above the county level may go into business or set up businesses.

Furthermore, no party organizations, people's congress offices, courts, procuratorates, public security departments, supervision departments, judicial departments, auditing offices, taxation bureaus, industrial and commercial administrations, land administrations, customs offices, technique supervision bureaus or commodity inspection offices may set up economic entities of any description, invest in or buy shares in such entities, or take such entities as their affiliates.

The regulations mandate all economic entities affiliated with the above departments to sever ties with these departments by the end of June 1994.

In accordance with the regulations, except for the above departments, other government offices may set up economic entities including enterprise groups, provided they obtain approval from competent authorities.

The step is designed to meet the needs of the current institutional restructuring and to make sure government offices play their proper roles, the regulations explain.

However, government offices must thoroughly sever ties with such entities in function, finances, personnel and name. "No economic entities of any type may perform the functions of management or administration of an industry," the regulations state.

The entities should not hand over profits to government offices or pay them administration fees. No officials of party or government organizations may take jobs in economic entities, which are forbidden to carry the name of such organizations.

"Having severed ties with administrative institutions, economic entities should operate and do their accounting independently, and assume full responsibility for their profits and losses," the regulations specify.

**'Text' of Regulations**

*OW2310235193 Beijing XINHUA Domestic Service in Chinese 0454 GMT 23 Oct 93*

[Text] Beijing, 23 Oct (XINHUA)—The General Offices of the CPC Central Committee and State Council relayed the other day the State Economics and Trade Commission's [SETC] "Regulations Governing Party or Government Offices Severing Ties with Economic Entities They Have Established."

The circular notes: The SETC, whose "Regulations Governing Party or Government Offices Severing Ties With Economic Entities They Have Established" have been approved by the CPC Central Committee and State Council, will be in charge of implementing the "Regulations" in cooperation with the State Economic Restructuring Commission and the State Administration for Industry and Commerce. Party committees and governments at all levels must exercise effective leadership over this work while finance, auditing, industrial and commercial administrative, discipline inspection, and supervisory departments must step up supervision and inspection in strict accordance with regulations to ensure successful implementation.

The text of the "Regulations" is as follows:

With the implementation of institutional restructuring, party and government organs at all levels have set up many economic entities, such as companies and enterprise groups. This has yielded some positive results in terms of changing government functions, properly placing government organs' reassigned personnel, and promoting service trades. Some noteworthy problems—such as government-department-turned-company (group) mix government functions with those of enterprises, abuse power for profits, resort to coercion to conclude business transactions, and practice monopoly—have arisen from the development of these economic entities. These problems, which have aroused complaints from the vast number of enterprises and people, will be extremely harmful to our efforts to deepen enterprise reform, strengthen the party and government, and build a socialist market economy. To rectify these problems in good time and implement plans of the CPC Central Committee for the anticorruption drive, the following regulations on separating the ties between party or government offices on one hand and economic entities on the other are hereby prescribed with the approval of the CPC Central Committee and State Council:

1. Party or government offices at and above the county level must firmly implement the "Circular of the General Offices of the CPC Central Committee and State Council on the Question of Party or Government Offices Setting Up Economic Entities and Party or Government Cadres Going Into Business," the "Circular of the General Offices of the CPC Central Committee and State Council on Some Questions Arising From Reassignment of Personnel in Connection With Institutional Restructuring" and other

relevant regulations of the CPC Central Committee and State Council. They are not allowed to go into business or set up businesses.

2. No party organization; people's congress office; court; procuratorate; public security; supervision; or judicial department; auditing office; taxation bureau; industrial, commercial, or land administration; customs office; technique supervision bureau; or commodity inspection office may:

1. set up economic entities of any description;
2. invest in or buy shares in such entities in the name of their organs; or
3. take such economic entities as their affiliates.

With regard to economic entities affiliated with the above departments, the localities and departments must conduct a review and work out a unified plan for severing their ties with these departments by the end of June 1994. (This does not apply to reform-through-labor or reform-through-education enterprises affiliated with judicial departments as well as enterprises open to the public which are run by logistics units of government offices in accordance with state regulations.) In special circumstances where such an economic entity is needed to be preserved or set up, approval should be acquired from the State Council or the provincial people's government.

Wherever possible, economic entities whose affiliation will be cut should be incorporated with large enterprise groups or general corporations. In implementing this incorporation, it is essential to inventory their assets and abide by relevant regulations to prevent state assets from getting lost.

3. Government offices other than those listed above may, after obtaining approval, set up economic entities (including enterprise groups, similarly hereinafter) if it meets their needs to restructure their institutions, change their functions, and place reassigned personnel. However, they must thoroughly sever ties with such entities in function, finances, personnel, and name. Economic entities that have already been set up but have not severed their ties with the government offices should do so by year's end.

1. No economic entity of any type may perform the functions of management or administration of an industry.
2. All economic entities of any type must sever financial ties with government offices. The entities should not hand over profits to government offices, pay them administration fees, or foot any bill for them. Economic entities should have an independent account with financial authorities; pay taxes and fees in accordance with state regulations; and subject themselves to the oversight of financial, supervisory, auditing, and taxation departments at the corresponding level.

Procedures governing economic entities severing financial ties with government offices and their payment of operating expenses to government offices after severance of ties should be formulated by the Ministry of Finance.

3. No party or government cadre may hold concurrent jobs in government offices and enterprises. They may not take second jobs in economic entities. Those holding concurrent jobs should truthfully report it. Authorities should thoroughly screen them and see to it that the personnel involved resign from one of the jobs. This screening should be completed by the end of October.

4. Economic entities of every type are forbidden to carry the name of party or government offices. Those already using such names must apply for a name change with the industry and commerce administration; otherwise, their names will be canceled.

4. In forming enterprise groups, it is necessary to uphold the principle of combining voluntary participation with policy guidance and take into consideration the views of the enterprise concerned and other quarters. It is not allowed to "stuff them into bags" by trade or arbitrarily "match them up." It is not allowed to take away the entity's management powers at will or to have their status as a corporate body abolished openly or in a disguised way.

5. Having severed ties with administrative institutions, economic entities should operate and do their accounting independently, and assume full responsibility for their profits and losses. The state's functions are limited to exercising administration over economic entities of all types, appointing or removing their principal cadres, and providing other necessary supervision and services; it should refrain from intervening in their management and operations.

6. Except as otherwise provided by laws and regulations, party or government offices at all levels may not use their power to help any economic entity gain monopoly in a business, nor are they allowed to restrict or exclude any economic entity outside their sector from business over which they have some jurisdiction. With regard to special business that should remain in the hands of a few economic entities, they should be rewarded to the economic entities concerned thorough open competition to head off monopoly by department or regional blockade.

7. Initial capital for newly set up economic entities manned by reassigned personnel should be raised in line with specific regulations laid down by the financial departments and they must not in any way squeeze regular operating outlay. For economic entities experiencing real difficulties in the initial period, on the merit of the case, they may be given support in line with provisions in the "Circular of the General Offices of the CPC Central Committee and State Council on the Question of Party or Government Offices Setting Up Economic Entities and Party or Government Cadres Going Into Business." Specific procedures in this regard should be formulated and the period may not exceed two years. Support funds should be kept in separate accounts and subject to supervision by relevant departments.

8. In setting up new economic entities in connection with institutional restructuring, government offices may not interfere in the normal operations of other enterprise,

hamper their implementation of the "Regulations Concerning the Transformation of the Operational Mechanism of State-Owned Industrial Enterprises"; indiscriminately transfer personnel, financial, or material resources from them; or demand that they contribute to the seed capital. Instead of newly set up economic entities taking a lion's share, preferential policy and state funds earmarked for helping a certain industry should be implemented or distributed, in a fair and rational way, among all enterprises in the industry. It is not allowed to grant newly set up economic entities operational privileges to head off an environment of unfair competition.

9. All localities and departments should designate special organs to draft specific measures for implementing the "Circular of the General Offices of the CPC Central Committee and State Council on the Question of Party or Government Offices Setting Up Economic Entities and Party or Government Cadres Going Into Business," the "Circular of the General Offices of the CPC Central Committee and State Council on Some Questions Arising From Reassignment of Personnel in Connection with Institutional Restructuring" and these regulations and conduct a thorough screening of economic entities established by party or government offices so that all infractions of the regulations will be rectified. They should earnestly implement the work of severing economic entities' affiliation with government offices, have them incorporated with enterprises, and submit a report on the screening results to the State Council and the SETC by the end of November.

### **Circular Bans Publicly Funded Overseas Tours**

OW2510113393 Beijing XINHUA Domestic Service in Chinese 2101 GMT 24 Oct 93

[Circular by the General Offices of the CPC Central Committee and the State Council on banning publicly funded overseas tours or tours organized with use of public funds in a disguised way, dated 2 October 1993]

[Text] Beijing, 25 Oct (XINHUA)—Over the past few years, the party Central Committee and the State Council have issued regulations in an attempt to strictly put a stop to excessive and rampant trips abroad, especially the use of public funds for overseas tours under false pretenses. In recent years, however, some party and government organs, enterprises, institutions, and social organizations have organized overseas trips in the name of work inspection, study, research, training, inviting investment, and promoting sales. As a result, the use of public funds for overseas tours has become more serious and is spreading. This practice has not only squandered a large amount of the state's foreign exchange, but has also seriously damaged the image of the party and government, thus creating a very bad impression among the masses. The following notice is hereby issued with the approval of the party Central Committee and the State Council to implement the party Central Committee's plans for fighting corruption and to resolutely put a stop to the unhealthy practice of making overseas tours with public funds or using public funds for overseas trips in a disguised way:

1. Strictly control taking overseas trips with public funds. All general overseas inspection trips, study trips, and trips without explicit purposes and essential contents must be resolutely suspended; groups or delegations making overseas trips for inspection purposes must strictly abide by the relevant regulations and are forbidden from going by a roundabout route for sightseeing purposes or from arbitrarily prolonging the period of their stay abroad. The Provisions of the State Council General Office on Sending Groups and Personnel Overseas To Receive Training must be resolutely implemented, and the number of personnel and groups sent by party and government organs to receive training overseas must be strictly controlled. This task will be put under the unified management of the State Foreign Experts Bureau, which will formulate the relevant management methods as soon as possible to strictly carry out the task.

2. The examination and approval of expenses for overseas trips in connection with official affairs must be strictly conducted. When a report on official overseas trips is submitted to higher authorities, it must state clearly the source of the expenses and the amount of foreign exchange to be used. Expenses for use by personnel and groups to be sent overseas that are not listed in the budget or that exceed the budget shall not be approved. If violations are involved, the organizer of groups and the organ examining and approving an overseas trip application shall be held responsible.

3. Party and government organ cadres are strictly forbidden from making overseas trips by demanding that an enterprise or an institution include them as a member of its delegation; if a party or government cadre must travel abroad with an enterprise delegation in connection with the importation of technologies and equipment, the application must be strictly examined and the organization to which the cadre belongs must foot the bill for the expenses of the overseas trip.

4. Units among the departments and commissions of the Central Committee and state organs, and agencies directly subordinate to them that enjoy the right to delegate temporary overseas trip approval power may organize, according to regulations and procedures, a small number of transregional and transdepartmental groups for overseas trips from enterprises and organizations that report directly to the party Central Committee and the State Council. All other units, including various types of societies, associations, foundations, centers, corporations, colleges, schools, and offices, are forbidden from organizing transregional and transdepartmental groups and personnel for inspection tours, training, seminars, and exchange activities abroad. If an overseas trip is necessitated by a special need, an application to this effect must be approved by a competent department at and above the provincial level. If a violation is involved, the unit organizing the overseas trip group must deliver to the state the income obtained from organizing such a group, and the leader(s) of the unit shall be held responsible.

5. All overseas trips on official business must be reported to higher authorities for approval in strict accordance with



prescribed channels and procedures. Fraud, the application for a passport to a responsible department in a locality other than those prescribed by law, the changing of passport applicant's identity under the guise of making an overseas trip at the applicant's own expense, and going abroad through the channels of a travel agency are prohibited. All travel departments are prohibited from handling matters related to overseas trips on official business.

6. Units organizing overseas group trips on official business are not permitted to charge fees in excess of the standards prescribed by the state, to seek profit therefrom, or to solicit more group members by offering "a free trip abroad to certain number of group members," giving cash awards or commissions, and so forth.

7. All areas, departments, and units must screen the overseas trips made with public funds after 1 July 1992, and must conscientiously address the problems discovered by the said examination. Overseas trips made with public funds in a disguised way before the date of this notice may be handled leniently; however, individual travelers must be made to absorb all the expenses paid by their units for their clothes, meals, and pocket money. All such overseas trips made after the date of this notice shall be handled strictly: travelers must absorb all travel expenses and shall be appropriately disciplined according to the seriousness of their cases; all the income obtained by the units organizing the overseas trips in violation of discipline shall be confiscated and handed over to the state treasury; and if units authorized to examine, approve, and issue passports are found abusing such authority indiscriminately against regulations, such authority which they have shall be suspended or revoked according to the seriousness of their cases, and, moreover, the parties concerned and the responsible leadership shall be investigated for responsibility. All areas and departments are required to report the situation of their screening and rectification to the Central Discipline Inspection Commission, Ministry of Supervision, Ministry of Foreign Affairs, and State Council Office of Foreign Affairs by the end of the year.

8. The unhealthy practice of making overseas trips with public funds must be rectified under the unified leadership of the party committees and governments at all levels; all departments and units are responsible for screening and rectifying such unhealthy practices. The central authorities and state organs must take the lead in screening, first of all, the leading bodies and leading cadres and in stopping their unhealthy practices. Foreign affairs offices and departments (bureaus) in charge of foreign affairs in all areas must strengthen supervision and administration of the work related to travel abroad. Financial departments and auditing organs must improve financial management and auditing, and must strictly enforce financial and economic discipline. Discipline inspection and supervisory organs at all levels must strengthen supervision and examination; strictly investigate cases of making overseas trips with public funds and, in particular, cases involving leading cadres at all levels; and must sternly punish those who

continue to practice fraud and violate discipline in defiance of the rectification drive, and must choose some of them for handling in public.

### **Commentator Stresses Judicial Role in Fighting Corruption**

*HK2210132193 Beijing FAZHI RIBAO in Chinese 11 Oct 93 p 1*

[Commentator's article: "Judicial Agencies Should Take the Lead in Fighting Corruption and Encouraging Clean Administration"]

[Text] The spirit of the Second Plenary Session of the Central Discipline Inspection Commission and Comrade Jiang Zemin's important speech have alarmed the entire country. An anticorruption struggle, which has the party's support and which conforms to the will of the people, has since been sweeping across the country.

Corruption has been a major problem in China's social life in recent years and is bitterly resented by the broad masses. If the problem remains unsolved, the achievements of reform and opening up will be canceled out, and the prospect for modernization will be doomed. This is another battle which will span the next century and which is bound up with the fate of the party and socialism.

In the struggle to remove corruption, judicial departments shoulder a dual mission: First, being the backbone of the anticorruption struggle, they should coordinate with party and government organs and society at large for the battle, enforce the law and handle cases strictly, and punish corrupt elements sternly. Second, as one of the major departments in the recent anticorruption drive, they should make sure that they remain uncorrupt, correct malpractices in their professions, and remove corrupt phenomena from within. The party and the people hope earnestly that judicial personnel and vast numbers of policemen will stand in the forefront of the struggle and take the lead in fighting corruption and encouraging clean administration.

China's judicial departments are the tools of the people's democratic dictatorship and are an important component of the socialist machinery. They shoulder sacred missions, such as safeguarding the interests of the state and the people, maintaining social order, and punishing criminals. In recent years, under the guidance of the party's basic line, judicial departments and vast numbers of policemen have served economic development, reform, and opening up and have made an indelible contribution to it. The history books of the Republic will carry their achievements. Under the new circumstances of reform and opening up and of establishing the socialist market economy, the majority of judicial personnel and policemen are honest and faithful in performing their duties and have endured tests. However, under the precondition of affirming the majority, we should also see that the viruses of corruption are contaminating the body of the judicial departments. An extremely small number of weak-willed members cannot resist the temptation of money worship and hedonism, fall before the "soft knives," and slip into the mud pool of corruption.

to become stuck in it. In disregard of party discipline, state laws, and the professional ethics of the judicial personnel, some would demand and accept bribes, racketeer and blackmail others, or refuse to do something for others unless they are satisfied with money or goods. Some would bend the law for personal considerations and tilt the balance of justice toward money or personal relationships and connections. Others would surrender before wealthy people and become their pawns and protective umbrellas. An extremely small number of them would even conspire to smuggle and traffic in contraband goods in the name of "performing official duties"....

Truthfully, corrupt elements only account for an extremely small portion of the contingent of judicial personnel. Due to their special status and positions, however, the influence and harm they cause is extremely bad and widespread. Their bad practices have adulterated the authority of the sacred law, have marred the image of the party and judicial organs, and have isolated judicial policemen and the masses. It has been true since ancient times that unfairness in the administration of justice and ambiguity in the enforcement of the law are signs of failure. A central leader recently gave instructions on a document, saying "It is very important for law-enforcement organs to fight corruption. If they break the law while they are supposed to enforce it, their political power will be at risk!" This is a brilliant warning of old which we can use for reference today.

The party and the state have always attached importance to developing the judicial contingent. They have also set very high demands on the ethical quality of the personnel in the judicial organs. In the early 1980's, Comrade Deng Xiaoping had already repeatedly stressed that, in addition to being well-versed in the law and in relevant knowledge about society, the judicial cadres "have specific requirements with regard to 'impartiality and good conduct' and 'fairness in the enforcement of the law' and 'a qualified moral character.'" In order to improve their quality and encourage clean administration, judicial organs at all levels have also adopted various measures. Yet why does corruption still exist in this contingent? In addition to external reasons, such as the psychological imbalance of some policemen caused by the weakening efforts of some areas and units to strengthen spiritual civilization and by unequal social distribution, looking at the contingent itself, one also finds that there are reasons of understanding and the system which explain why the corrupt phenomena have run rampant for some time.

Mentioning the anticorruption drive and the need to encourage clean administration, the leading comrades of some basic-level judicial departments often stress the "particularity" of judicial organs and say that, when there is any problem with them, they will not investigate it or report it to the higher authorities, nor will they let the media disclose it to the public. As a result, the corrupt and degenerate persons have become even bolder and act wantonly to an incurable degree. Such a "shielding" attitude often harms the persons involved while doubly harming the "whole image" of their work units.

As far as the systems are concerned, judicial departments have laid down various rules and regulations against corruption, and we cannot say that these systems are totally useless in our work. But as far as the overall and practical effects are concerned, we are far from having effective mechanisms capable of curbing corruption. For instance, former Huizhou Public Security Director Hong Yonglin, like other "especially big" corrupt elements, did not embezzle money or goods using ingenious means. There had been traces of his actions for a long time. "But nothing could stop him" and "he could even refuse to accept orders from the city party committee and the provincial public security department." Obviously, the routine supervisory and restricting mechanisms are too weak and ineffective before such people! In our anticorruption drive, we must not merely "single out a few unfortunate ones, shoot them," and then withdraw our efforts, as the masses always say we do, but should really establish powerful supervisory and restricting mechanisms, including the supervision of the press and public opinion which "can catch" those corrupt elements who "stretch out their arms."

We believe that, under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and under the correct leadership of the CPC Central Committee with Comrade Jiang Zemin at the core, the vast numbers of policemen on the judicial front who have justice on their side can remove the malignant tumors on their bodies and win decisively in the anticorruption and antidecadence battle which will span the next century!

### Symposium on Deng's Thinking Held in Hometown

HK 2310080093 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0503 GMT 23 Oct 93

[Text] Guangan, 23 Oct (ZHONGGUO XINWEN SHE)—The second national symposium on Deng Xiaoping's thinking and theory, which lasted four days, was held some days ago in his hometown of Guangan, Sichuan, and was attended by 69 experts and scholars from all over the country.

The first national symposium on Deng Xiaoping's thinking and theory was held here three years ago. The second symposium, cosponsored by six units, including the Guangan prefectural CPC committee and the Chinese People's University, focused on studying Deng Xiaoping's theory and practice in building socialism with Chinese characteristics. Over 70 papers presented at the symposium made extensive and in-depth studies of: The formation, main content, and basic features of Deng's theory; the development of Deng Xiaoping's economic thinking; his thinking and practice in reform and opening up; the thinking and practice of science and technology being the primary productive force; the great significance of his thinking on party building; building of clean administration; and equipping the whole party with the theory of socialism with Chinese characteristics.

Scholars maintained that Deng Xiaoping's thinking and theory are a salient reflection of the trend of peace,

development, and reform in today's world. In order to achieve the grand goal of modernization, we must unswervingly study and implement Deng Xiaoping's thinking and theory.

During the symposium, the attendees visited Mr. Deng Xiaoping's former residence.

### **Jiang Addresses Returned Student Gathering**

*OW2410204493 Beijing XINHUA Domestic Service in Chinese 1055 GMT 23 Oct 93*

[By RENMIN RIBAO reporter Wu Qimin (0702 4860 2404) and XINHUA reporter Zheng Qingdong (6774 1987 2639) ]

[Text] Beijing, 23 Oct (XINHUA)—Several thousand members of the Western Returned Students Association [WRSA] from various localities at home and abroad gathered in the Great Hall of the People today to mark the 80th anniversary of the association. Jiang

Zemin, Liu Huaqing, and other leading comrades attended the celebration meeting.

Jiang Zemin, general secretary of the CPC Central Committee and president of the PRC, extended his warm congratulations to the meeting on behalf of the party Central Committee and the State Council. He gave his cordial regards to all returned students working hard for the country at their work posts, and he said hello to all Chinese personnel studying or working abroad, as well as to their relatives.

The WRSA, a nongovernmental organization whose purpose is "promoting study, recreation, friendship, and good conduct," was founded by Zhan Tianyou and Cai Yuanpei 80 years ago. Since its founding, it has received the active support of overseas Chinese students.

Since the founding of New China, WRSA members have actively devoted themselves to socialist construction. Particularly since the Third Plenary Session of the 11th CPC Central Committee, they have strengthened connections with overseas Chinese students, shown concern about and reported the latter's immediate problems, and developed social scholastic exchanges and services. They have also made great contributions to promoting China's relations with its friends in Europe and the United States. The association now has a membership of more than 6,300.

Jiang Zemin pointed out in his speech: Our great motherland under the CPC's leadership has adhered to the socialist road. With concerted efforts made by the people of all nationalities across the country, earthshaking changes have taken place in all fields. Particularly since the Third Plenary Session of the 11th CPC Central Committee, we have been working under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and under the guidance of the party's basic line. Our socialist undertakings have entered a new period of development full of vigor and vitality. Our

achievements in reform, opening up, economic construction, and social progress have attracted worldwide attention. He said: The achievements are the fruit of the initiative and creativity of the broad masses of workers, peasants, and intellectuals. The achievements have opened up a broader avenue for the people to continue to use their wisdom and talents.

Jiang Zemin said: China's international status has been greatly heightened since China started to carry out the policy of reform and opening up to the outside world. China's exchanges and economic and technological cooperation with other countries are becoming broader. We have friends all over the world. He pointed out: The world today is open and competitive. The competition among international community is a trial of overall national strength. To constantly enhance our overall national strength, we must continue opening up wider to the outside world, boldly absorb and take advantage of the achievements of all advanced civilizations of mankind, learn from other's strong points, and apply them in our own development. The science and technology of the world are advancing rapidly, and we should strive to follow these and also blaze new trails. We should endeavor to secure a place in the field of sophisticated science and technology. Our students studying abroad have the necessary knowledge in this regard, as well as the experience of international exchanges. So, the overseas Chinese students are shouldering an important and glorious mission, and the motherland and the people expect them to make continuous contributions.

Jiang Zemin expressed gratitude to returned overseas students for their contributions to China over the past 80 years. He said: Many of our personnel studying abroad are constantly concerned about the motherland's construction and reform. While studying hard, they are also taking various steps to do useful work for the country's development. We will carry on the policy of "support overseas study, encourage overseas students to return to China, and guarantee them the freedom to return to China and to leave again," and we will do even better with respect to supporting overseas study. Both the party and the people warmly welcome more students to return home to work after completing their studies abroad.

Jiang Zemin said: Comrade Deng Xiaoping's advocacy of "respect for knowledge and talents" has passed deep into the minds of the people, and his well-known thesis that "science and technology are the No. 1 productive forces" has become an important guideline in China's economic and social development. To realize Comrade Xiaoping's strategy of winning a position in the field of sophisticated science and technology, we will organize specialized scientific and technological forces, including returned overseas Chinese, to tackle scientific problems with collective wisdom; we will strive to complete a number of sophisticated science and technology projects and to score a number of important achievements in sophisticated science and technology; and we will train a number of outstanding personnel in the field of sophisticated science and technology by the end of the century.



Jiang Zemin expressed his hopes that the WRSA would take a further step to establish connections with returned students, to show concern about their work and life, to pass on their suggestions and demands, and to continue to play an effective role of a bridge and link. At the same time, the WRSA should increase contacts with Chinese students studying abroad and strive to widen the channels for the latter to communicate with the motherland. He pointed out: The party and government departments concerned will pay close attention to and support the work of the WRSA and will do an even better job of supporting the WRSA's positive role of keeping in touch with both returned students and those still studying abroad.

In conclusion, Jiang Zemin said: China's socialist modernization is at a crucial stage, and middle-aged and young overseas students and all other middle-aged and young intellectuals are cross-century builders, precious talents for China, and the backbone of our future undertakings. He expressed the belief that young overseas Chinese students would take the old generation of overseas students as models, raise the banners of patriotism and socialism, carry forward the revolutionary cause pioneered by our predecessors, forge ahead into the future, and use their wisdom and talents for and make greater contributions to the prosperity of China.

Lu Jiaxi, vice chairman of the National People's Congress Standing Committee and chairman of the WRSA, said in his speech: During the new historical period of reform and opening up, we should continue to carry forward the glorious tradition of patriotism, unite all our fellow scholars at home and abroad, and work hard for the motherland's peaceful reunification and prosperity.

Some new and old WRSA members, including Zhang Weixue, Wang Dezhaoh, Shen Jianbai, Yang Fuqing, and Chen Zhangliang, also addressed the celebration meeting.

Comrades Zou Jiahua, Fei Xiaotong, Wu Jieping, Luo Gan, Wang Zhaoguo, Sun Yueqi, Yan Jici, and Zhang Jingfu also attended the meeting.

#### **Li Ruihuan Attends Party Elder's Birthday Fete**

*OW2410195493 Beijing XINHUA Domestic Service in Chinese 1409 GMT 13 Oct 93*

["Feature" by reporter Zhang Yinshu (1728 6892 2562): "From the Rugged Path to the Broad Road—A Report on Sun Yueqi's Centenary Celebration"]

[Excerpts] Beijing, 13 Oct (XINHUA)—The auditorium of the United Front Work Department [UFWD] of the CPC Central Committee was ablaze with light on the afternoon of 13 October. People were already gathered there waiting—waiting for the arrival of an elderly man of the century.

At 1700, he—the venerable Sun Yueqi, an Olympian figure in the mining industry and one of the founders of China's energy industry—showed up on time. A hale and hearty 100-year-old man walked in with a steady gait, bringing with him a century of hardship and glorious achievements.

As he arrived, Li Ruihuan, member of the Standing Committee of the Political Bureau of the CPC Central Committee and chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], and Wang Zhaoguo, vice chairman of the CPPCC National Committee and head of the UFWD, walked up toward him. They firmly grasped the venerable Sun's hands and greeted him by saying, "Congratulations on your 100th birthday." [passage omitted]

Li Ruihuan asked him: "What is the secret of your good health? Do you have some advice for younger people?" The venerable Sun replied: "I don't have any. I always try to be upbeat. At that time, Chiang Kai-shek trusted me and put me in an important position. But I wasn't happy. I saw how corrupt the Kuomintang government was so I went over to the Communist Party."

At the banquet hall, Li Ruihuan proposed a toast: "General Secretary Jiang Zemin, Premier Li Peng, and Chairman Qiao Shi asked me to relay their congratulations and to wish you good health and longevity. The 100 years that the venerable Sun has experienced are a very unusual century. At a crucial historical turning point, the venerable Sun made the correct choice by resolutely coming over to the side of the party and the masses. He has left a valuable treasure for the economic construction and development of the New China. The party and people will never forget the venerable Sun's historic contributions. We wish you good health and longevity so that you can work together with us for the achievement of socialist modernization, the goals of the second step in the three-step strategy, and the reunification of the motherland." [passage omitted]

#### **Qiao Shi Inspects Jiangxi, Urges Deepening Reform**

*HK2510021593 Nanchang Jiangxi People's Radio Network in Mandarin 1100 GMT 21 Oct 93*

[Text] During a recent inspection tour of Jiangxi, Qiao Shi, member of the Standing Committee of the CPC Central Committee Political Bureau and chairman of the National People's Congress [NPC], stressed: The key to seizing the opportunity lies in deepening reform in a down-to-earth manner. Jiangxi will be full of promise and prospects as long as you implement Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the spirit of the 14th CPC Congress, proceed from local reality, and work steadily and make solid progress.

Accompanied by provincial Secretary Mao Zhivong and Shu Shenyong, standing committee member of the provincial party committee and vice governor, Qiao Shi made an inspection tour of Jiangxi from 14 to 20 October. He inspected the Changjiu industrial corridor and the nearby agricultural development projects. On the way, he visited factories, met with workers, examined farmlands, called on peasant households, and visited Nanchang's urban construction with great interest.

During the inspection, Qiao Shi listened to an account given by the Jiangxi party committee and government and discussed work with leaders of the provincial people's

congress. Qiao Shi fully affirmed the achievements scored by Jiangxi. He said: Jiangxi has done solid work, economic growth has been rapid, and its development is normal.

Qiao Shi pointed out: We must seize the rare historical opportunity. To do so, we should do solid work and make efforts in various fields. The key lies in deepening reform in a down-to-earth manner and opening up wider to the outside world. Qiao continued: The purpose of strengthening the macroeconomic regulation and control measures is to prevent and avoid drastic economic fluctuations and lay a sound foundation and create a fine environment for accelerating the pace of reform, opening up, and economic development. These measures have proved to be effective in practice. While continuously strengthening macroeconomic regulation and control, we should vigorously explore ways to further deepen reform.

Qiao Shi showed great concern for agriculture and rural work. He stressed: We must further enhance our understanding of the essential status of agriculture in the national economy as a whole. There should be a long-term and steady development of agriculture. The basic policies introduced by the party for agriculture since the Third Plenary Session of the 11th CPC Central Committee should remain unchanged for a long time to come and should be improved and perfected in practice. In light of the Agriculture Law and the spirit of the recent Central Rural Work Conference, it is necessary to improve and strengthen leadership over rural work.

Qiao Shi was in favor of Jiangxi's plan to vigorously develop forestry, farming, and breeding. He said: While grasping grain production, it is necessary to develop a diversified economy, make the most of mountains and lakes, and create more wealth.

On the question of surplus rural labor, Qiao Shi pointed out it should be regarded as an extremely important resource. We should try by every means to exploit and use labor, which includes developing township enterprises and tertiary industries, building highways, and carrying out farmland capital construction.

While continuously improving the people's living standards, Qiao Shi said, we should guide the enthusiasm of the masses into production and expanded operation. He stressed: Along with the development of township enterprises, it is necessary to build small towns in a step-by-step manner so that they can become economic and cultural centers of the surrounding areas and play a leading role.

On socialist democracy and building of the legal system, Qiao Shi said our target is to build a modern and democratic state with a perfect legal system through long-term efforts. We should establish a legal system suited to the development of a socialist market economy. The task of legislation is arduous. The NPC and local people's congresses should step up efforts in this regard. The people's congresses at all levels should fully carry forward democracy and earnestly ensure that the people's deputies can exercise the rights entrusted to them by the Constitution.

The people's congresses should also explore ways to effectively exercise supervision. We must explore socialist democracy suited to China's reality.

Qiao Shi hoped that comrades in Jiangxi would continue to forge ahead, do solid work, unswervingly uphold the principle of jointly developing material and spiritual civilization, and ensure the growth of the economy and other undertakings.

### Chen Junsheng Inspects Henan's Linxian County

OW2310213893 Beijing XINHUA Domestic Service in Chinese 1029 GMT 11 Oct 93

[By XINHUA reporter Zi Hongqi (6038 4767 2475) and HENAN RIBAO reporter Li Peng (2621 5570)]

[Text] Zhengzhou, 11 Oct (XINHUA)—During his recent inspection of Henan Province's Linxian County, State Councillor Chen Junsheng pointed out: The spirit of self-reliance and arduous pioneers associated with the Hongqi Canal—which was formed by the people of Linxian County during the construction of the Hongqi Canal and enriched and developed during the new era of reform and opening up—gives concrete expression to the great pioneering spirit initiated by General Secretary Jiang Zemin for the new era. Under the new situation of reform and opening up, we need this kind of spirit and should use it to promote the economic development of our country's west-central region.

From 7 to 10 October, Chen Junsheng visited Linxian County, Henan Province—home to the Hongqi Canal—and inspected its fast-growing village and town enterprises.

Chen Junsheng said: In building the Hongqi Canal, the people of Linxian County demonstrated the highly valuable spirit of arduous pioneers. He said: What is commendable about the spirit of the people of Linxian County is that after the completion of the Hongqi Canal, they continued confidently and courageously on a new pioneering journey to overcome difficulties. They led and organized their workers to help develop the construction industry in other localities. They have not only built up their reputation but have also widened their horizons and improved their competence. Drawing on their firsthand experiences, they have established a large number of village and town enterprises. This is the outcome of carrying forward the spirit of self-reliance and arduous pioneers.

Chen Junsheng spoke highly of the thriving village and town enterprises in Linxian County. He said: The development of village and town enterprises in Linxian County is marked by characteristics in six major areas. First, projects are appropriately selected because of the extensive information provided by various engineering teams working in other localities. Second, relations of long-term cooperation and mutual benefit have been established with large factories in other localities as a result of exchanges with other areas. Third, funds are readily available because of the people's thrifty practices and the implementation of

the shareholding cooperative system. Fourth, construction projects are completed quickly and efficiently because funds and construction workers are readily available. Fifth, a group of capable leaders has emerged to lead enterprises while many builders who have changed their mind-sets while working outside the county have returned to set up factories. Sixth, most of the village and town enterprises are concentrated in certain areas, thus forming small industrial zones. This is favorable for achieving common prosperity and has resulted in farmland conservation.

Chen Junsheng pointed out: The spirit of self-reliance and arduous pioneers displayed by the people of Linxian County is a combination of traditional moral character based on the people's diligence and courage and modern ideology in the new era of reform and opening up. He stressed: This spirit has important and practical significance for promoting the economic development of our country's west-central region. He said: We should not support the poor merely with funds and materials. Most importantly, we should help build their character. To build their spirit is to establish a spirit of self-reliance and arduous pioneers, as well as a fighting spirit that can move heaven and earth and overcome difficulties. This should become an important part of our future work in aiding the poor.

Chen Junsheng said: A fundamental way to change the backwardness of the west-central region is to develop village and town enterprises. The east-west economic gap lies in village and town enterprises. Currently, there are numerous problems in running village and town enterprises because it is not easy to find qualified personnel, select proper projects, raise funds, and obtain loans. Therefore, it is impossible to carry out this task without the spirit of arduous pioneers. We can overcome difficulties and build up village and town enterprises only if we possess this kind of spirit.

Chen Junsheng stressed: Carrying forward the spirit of self-reliance and arduous pioneers of the people of Linxian County is important not only for promoting the economic development of the west-central region but also for developing the economy of the wealthy east, for building a diligent and clean government, for establishing a good party style, for fostering healthy social practices, and for promoting socialist spiritual civilization.

### **Central Discipline Inspection Official Inspects Guangxi**

*HK2510082793 Nanning Guangxi People's Radio Network in Mandarin 2300 GMT 20 Oct 93*

[Text] Hou Zongbin, CPC Central Committee member and Central Discipline Inspection Commission deputy secretary, inspected Guangxi 9-20 October.

During his inspection of Guangxi, Hou Zongbin emphatically pointed out: The key to implementing the three tasks set by the CPC Central Committee for the ongoing anticorruption struggle lies in carrying out the struggle in a down-to-earth manner; striving for tangible results in the

struggle; and winning a victory at each and every stage of the struggle, thus deepening the struggle still further.

Accompanied by Li Enchao, regional party committee standing committee member and discipline inspection commission secretary, Hou Zongbin inspected Nanning, Wangcheng, Qingzhou, Beihai, and other areas, where he listened extensively to the work reports given by the party committees, governments, discipline inspection commissions, and supervision organs at all levels; called forums of people of all quarters concerned; and visited economic development zones, ports, country fairs, enterprises, and rural areas.

Hou Zongbin stated: Under the guidance of a series of important speeches made by Comrade Deng Xiaoping during his south China tour as well as the spirit of the 14th CPC National Congress, Guangxi has quickened the pace of economic construction, reform, and opening up, improved the party style, and stepped up the building of clean government.

Hou Zongbin held: In order to implement to the letter the important arrangements made by the CPC Central Committee for the ongoing anticorruption struggle, all comrades must work in a down-to-earth manner and strive for tangible results in the struggle. Only by working in a down-to-earth manner and striving for tangible results will we be able to successfully accomplish the three tasks set by the CPC Central Committee: win a victory at each and every stage of the struggle; win the trust of the people; and strengthen the confidence of the masses in the ongoing anticorruption struggle.

Hou Zongbin called for resolutely and continuously carrying out the anticorruption struggle for a long time to come. He emphatically maintained: The key to further deepening the ongoing anticorruption struggle lies in stronger leadership. To this end, party and government leaders at all levels across the region should persistently adhere to the principle of firmly and simultaneously grasping work in two aspects: heighten understanding, constantly strengthen determination in deepening the anticorruption struggle; place the ongoing struggle practically on the key agenda of party and government organs at all levels; and earnestly undertake anticorruption tasks. Moreover, party and government leaders at all levels across the region should also strengthen democratic supervision, step up work inspection; attach great importance to letters, visits, and complaints from the masses, and make redoubled efforts to improve work examination. Leaders at department director or county magistrate level across the region should conscientiously carry out self-examination and self-rectification and avoid formalism as well as perfunctory or superficial work. The discipline enforcement and law enforcement organs at all levels across the region should strengthen coordination and cooperation under the unified leadership of the party committees, ward off interference of both lobbying efforts and personal influence, focus on cracking a batch of major and serious cases, and put an end to the proliferation of corrupt phenomena.

Hou Zongbin expressed the hope that discipline inspection organs and supervision organs at all levels across the region will fully carry forward the spirit of adhering to principles, seeking truth from facts, upholding justice, and daring to crack hard nuts; actively participate in the ongoing anti-corruption struggle; and strive to contribute more to the fulfillment of the three tasks set by the CPC Central Committee for the ongoing anticorruption struggle and to the healthy growth of the region's economic construction, reform, and opening up.

### Li Lanqing Speaks on Education Issues

OW2210231793 Beijing XINHUA Domestic Service in Chinese 1316 GMT 10 Oct 93

[By RENMIN RIBAO reporter Bi Quanzhong (3968 0356 1813) and XINHUA reporters Zhao Wei (6392 5898) and Zhang Chaoxiang (1728 2600 4382)]

[Text] Beijing, 10 Oct (XINHUA)—Li Lanqing, member of the CPC Central Committee Political Bureau and vice premier of the State Council, addressed the fourth plenary meeting of the State Education Commission Higher Education Advisory Committee in Guangzhou today. He pointed out that the next key issue facing the state after devising a good political line and policies for economic construction and social development is to train qualified personnel. In the final analysis, solving the qualified personnel problem must rely on education. He called for continued efforts to ensure education enjoys a strategic position, since education is a major issue which has a bearing on the prosperity of the nation and on the destiny of the Chinese nation. The immediate task for those who work on the educational front, he stressed, is to publicize, study, and implement the "Program for the Reform and Development of Chinese Education," which he said is a programmatic document for reforming and developing our country's education for some time in the future.

At the beginning of the meeting, Li Lanqing briefed the advisory committee, whose members are secretaries of party committees and presidents at institutes of higher learning, on the current economic situation and on the ongoing reforms of the financial, taxation, foreign trade, and investment structures and on the anticorruption drive.

Li Lanqing then delivered an important speech on the country's education. He said the nation is now faced with three practical education issues. They are education investment, teacher remuneration, and teachers' housing problems. He said to elevate education to a strategic position, it is necessary to first tackle the education investment problem. He spoke of the need to organize experts to make feasibility studies and to draft a plan which conforms to the educational standards, is suited to China's actual situation, and is effective in solving the problem of increasing investment in education spending. He called for accelerating the pace in education legislation. He also called for solving educational investment and teacher remuneration problems through legislation. Li Lanqing stressed the need to keep investigating the problems in

some localities which are behind in paying teachers' salaries. Though noting that some regions have made major progress in solving this problem, he pointed out that the issue is far from solved. Therefore, he called for devoting more efforts to that problem.

He said our country's educational structure is far from rational. As a poor country which is strenuously promoting its education, it is the responsibility of those who are involved in education to show the special characteristics of Chinese education by taking our country's reality into consideration. To produce better social benefits, it is of great importance to vigorously enhance compulsory education because it is a major matter which has a bearing on raising the quality of the Chinese people as a whole. At present, very few high-school graduates are admitted to colleges, which is an unavoidable reality. Therefore, we should make great efforts to develop vocational education so as to raise the quality of the working people as well as the quality of those who are engaged in various trades. Some of those who have a good vocational education could become experts in their respective fields if they continue to improve themselves. He called for increasing the ratio of vocational education in our country's education structure and for making vocational education a unique and important part of our country's education structure. When touching on higher education, he said that it is now time to raise teaching quality and school-management efficiency, and not to continuously increase the number of schools. Therefore, he called for changing the insular method and adopting a gradual introduction of an open method into the management of schools. He also spoke of the need to change the past practice of managing everything. He urged for bringing teachers' role into full play. He called on schools to recruit good teachers from other schools. This way, he said, school-management efficiency and educational quality can be improved and raised and the ills of academic inbreeding can also be prevented. In addition, schools can save expenses and help increase teachers' incomes. As for the problem of teachers holding second jobs, he suggested teachers increase their incomes by giving lectures at other schools, writing books, and by engaging in scientific activities. At the same time, he also stressed the need to work out necessary management measures with regard to teachers holding second jobs.

Li Lanqing pointed out the need to enhance moral education at schools. He said education on patriotism, on the country's present situation, and on modern history are important parts of moral education. He said the education on the nation's current situation should not be limited to introducing our country's economic and geographical situation only. He said it is much more important to carry out education on the nation's current situation, on current affairs, and on state policies. He expressed the hope that leaders at all levels will brief school teachers and students on the current situation and relevant policies, for he said that past practice has shown that such briefings were quite useful.

Prior to the meeting, Li Lanqing heard the opinions of some secretaries of party committees at higher institutes of



learning and of college presidents who serve as members of the advisory committee on issues related to the current reform and development of higher education.

### Reportage on NPC Standing Committee Session

#### Tian Jiyun, Wang Hanbin Attend

OW2310041693 Beijing XINHUA Domestic Service in Chinese 0643 GMT 22 Oct 93

[By reporter Zhang Shutang (1728 0647 1016) and reporter trainee Teng Li (3326 4409)]

[Excerpts] Beijing, 22 Oct (XINHUA)—The Fourth Session of the Eighth National People's Congress Standing Committee opened at the Great Hall of the People this morning.

Chairman Qiao Shi presided over the session.

As their first order of business, the 119 standing committee members attending the current session passed the agenda proposed by the chairmanship meeting. [passage omitted]

Those attending the session included Vice Chairmen Tian Jiyun, Wang Hanbin, Ni Zhifu, Chen Muhua, Fei Xiaotong, Sun Qimeng, Qin Jiwei, Li Ximing, Wang Bingqian, Pagbalha Geleg Namgyai, Wang Guangying, Cheng Siyuan, Lu Jiaxi, Buhe, Tomur Dawamat, Li Peiyao, and Wu Jieping, as well as Secretary General Cao Zhi.

Present as observers were Ismail Amat, state councillor; Ren Jianxin, president of the Supreme People's Court; and Zhang Siqing, procurator general of the Supreme People's Procuratorate.

#### Li Peng Submits Draft Laws

OW2310051893 Beijing XINHUA Domestic Service in Chinese 0701 GMT 22 Oct 93

[Text] Beijing, 22 Oct (XINHUA)—Premier Li Peng today submitted three draft laws to the Fourth Session of the Eighth National People's Congress [NPC] Standing Committee for deliberation. The three draft laws are: The draft PRC Teachers' Law, the draft amendment to the PRC Accountancy Law, and the draft PRC Budget Law.

In submitting his motion on the deliberation of these three draft laws, Premier Li Peng said: The purpose of drawing up the Teachers' Law is to protect teachers' legitimate rights and interest, as well as to build a team of teachers who are ideologically, morally, and professionally sound in an effort to promote the development of our country's socialist educational undertakings.

It is understood that this draft law was heard and initially deliberated at the 21st session of the Seventh NPC Standing Committee in August 1991. The State Council studied some opinions forwarded by Standing Committee members during their deliberations and felt that some issues needed overall consideration in the process of deepening reform. The State Council General Office sent an official letter to the NPC Standing Committee in October 1992, advising it to withdraw the motion. As

reform deepened further, the State Council forwarded its opinions on solving some issues of the draft law and introduced corresponding amendments to the law. It then decided to submit the amended draft Teachers' Law to the NPC Standing Committee for deliberation.

In submitting his motion on the deliberation of the draft amendment to the Accountancy Law, Premier Li Peng said: Following its promulgation and implementation in 1985, the Accountancy Law has played an active role in strengthening accounting work, safeguarding state financial and economic order, improving operations and management, upgrading economic efficiency, and strengthening legal institutions in the accounting field. However, following the deepening of reform and opening up and the development of a socialist market economy, some stipulations of this law are no longer suited to the needs of the situation, and amendments and additions need to be introduced in light of the situation.

As regards the draft Budget Law, Premier Li Peng said in his motion: To strengthen the state's macroeconomic regulation and control, to improve the distribution of budgetary funds and the supervision of budget implementation; to define the duties for budget management; to exercise strict control and supervision over budget planning, deliberation, and implementation, and to ensure sustained, speedy, and healthy economic and social development, the Finance Ministry, based on its experience in implementing the "Regulations Governing State Budgets," drew up the draft Budget Law in accordance with the Constitution to meet the demand for establishing a socialist market economic system.

In his motion, Premier Li Peng said: The State Council discussed and approved the draft Teachers' and Budget Laws at its executive meeting. It also expressed concurrence with the draft amendment to the Accountancy Law drawn up by the Finance Ministry.

At the Fourth Session of the Eighth NPC Standing Committee today, Zhu Kaixuan, minister in charge of the State Education Commission, briefed the members on the guiding ideology, the drafting process, and some major stipulations of the draft Teachers' Law. Finance Minister Liu Zhongli also provided a similar briefing on the draft amendment to the Accountancy Law and the draft Budget Law.

#### Consumer Rights, Income Tax Laws Viewed

OW2310133493 Beijing XINHUA in English 1257 GMT 23 Oct 93

[Text] Beijing, October 23 (XINHUA)—Chinese legislators proposed in a group discussion here today that the draft law on the protection of consumer rights and the draft law on individual income tax be adopted at the ongoing fourth session of the Standing Committee of the Eighth National People's Congress (NPC).

The NPC Standing Committee members present at the discussion held that the two draft laws, after numerous discussions and large-scale revisions, were now acceptable

and practical. They said that it was the right time for the two laws to be passed and put into early use.

The participants spoke highly of the draft consumer rights protection law and reached unanimous agreements on its adoption.

The legislators expected that the adoption and implementation of the law would play an active role in perfecting the country's legal system in spheres such as protection of consumers' rights and interests, standardizing the operations of enterprises and ensuring the right order of the socialist market economy.

On the draft individual income tax law, the legislators held that most of the articles contained in the draft were acceptable, but some still needed discussion and revision.

They said that the enactment of the law was aimed at narrowing the wide gap in personal incomes and easing the strains of unfair distribution.

Liu Suinian, an NPC Standing Committee member, said in the discussion that it was not proper to exclude all incomes gained in farming production and operation from the scope of the taxation. According to him, some specialized economic households in the countryside were often big earners, and they should also be taxed.

Other members held that it was unrealistic for Chinese citizens and foreign personnel working in China to share the same tax policy. According to them, the tax rates could be shared, but the starting points of taxation and the taxation levels should be different, because the Chinese citizens, comparatively, were lowly paid.

#### **Tax Hikes for Wealthy Proposed**

HK2510062093 Beijing CHINA DAILY in English 25 Oct 93 p 3

[By staff reporter Ma Chenguang: "Tax Hike Suggested For Wealthy"]

[Text] Top Chinese lawmakers have suggested that the personal incomes of the country's wealthier individuals—particularly show business personalities—should be more heavily taxed.

Such a move would be aimed at narrowing the wide gap between personal incomes, a condition most Chinese citizens complain of and find unfair.

At the ongoing Fourth Session of the Standing Committee of the Eighth National People's Congress (NPC), most delegates indicated that singers, actors, and private business owners should be charged a higher tax on their personal incomes.

According to a draft Law on Individual Income deliberated last Saturday, singers, actors and athletes would be subject to a tax of 20 percent, while private business owners face a tax ranging from 3 to 35 percent of their yearly income.

Most participants at the discussion thought the projected tax rates were still low.

They suggested that the rates be raised an additional 10 percent.

The revised bill, designed to ease unfair income distribution, covers high Chinese salary-earners, private business owners, and also foreigners working in China.

Foreigners who have stayed in China for more than a year would be taxed on personal income both in China and in their home country.

For the first year, they would be taxed only on their personal income in China.

NPC Vice-Chairman Wang Bingqian said he was against the idea of a higher tax on singers, actors and athletes.

To help build a healthy cultural environment in the country, he said, China should encourage more such people to participate in these activities.

During discussions, more than 110 delegates to the session suggested that to encourage the spread of knowledge, Chinese researchers and writers should be taxed less on their remunerations.

Meanwhile, deliberations on the draft Law on Protection of the Rights and Interests of Consumers were held. Most participants spoke highly of the draft bill and suggested its adoption.

The draft bill stipulates that consumers, whether individuals or organizations, have the right to claim refunds on shoddy goods or service.

#### **To Consider Accountant, Red Cross Laws**

OW2510120393 Beijing XINHUA in English 1151 GMT 25 Oct 93

[Text] Beijing, October 25 (XINHUA)—Chinese legislators proposed here today that the draft law on registered accountants and the draft law on the Red Cross Society be adopted at the ongoing Fourth Session of the Standing Committee of the Eighth National People's Congress (NPC).

The NPC Standing Committee members present at the meeting said that the two draft laws, following major revisions, were acceptable and practicable. They said that it was the right time for the two draft laws to be passed.

Wang Bingqian, vice-chairman of the NPC Standing Committee, stated that it is urgent to promulgate the law on registered accountants in order to develop China's socialist market economy. Wang said that the law will play a major role in standardizing the operations of registered accountants and will give full scope to accountants' roles in the state's economic life.

The vice-chairman suggested further revisions to the draft law, and added that since registered accountants and registered auditors deal with the same business, their operations should be covered under the same law.

Bai Shangwu, an NPC Standing Committee member, noted that China's auditing institutions should conduct

auditing at higher levels, or audit government departments only, while the auditing of social organizations should be left to registered accountants.

NPC Standing Committee member Qin Zhongda said that the law should be enacted in accordance with the demands of the socialist market economy. He said the law should conform to international practices and fit in with China's actual situation.

Qin suggested that Article 22 of the draft law should be amended to prevent registered accountants from purchasing stocks or bonds from any enterprise. This measure will ensure clean and fair operations of accounting agencies, he stressed.

It is the common wish of the participants that the draft law on registered accountants be passed at the ongoing session.

The NPC Standing Committee members at the meeting also spoke highly of the revisions to the draft Red Cross Society law and said they considered it satisfactory.

The members urged an early adoption of the law so as to allow China to play a greater role in world peace and to adhere to the Geneva Convention.

NPC Standing Committee member Qu Geping said that the law should include rules that ban all persons and organizations from obstructing the work of Red Cross personnel.

Member Zhou Zhanao suggested that the government commend and award those who make great contributions to the cause of humanitarianism under the banner of the Red Cross.

### **NPC Standing Committee Member He Ying Dies 3 Oct**

*OW 2310164293 Beijing XINHUA in English 1512 GMT 23 Oct 93*

[Text] Beijing, October 23 (XINHUA)—He Ying, member of the Standing Committee of the National People's Congress (NPC), vice-chairman of the Overseas Chinese Affairs Committee of the NPC, and former vice-foreign minister, died of illness here on October 3 at the age of 79.

Born into a poor peasant family in south China's Hainan Province, He Ying joined the Communist Party of China in June, 1930. He once served as political commissar of a brigade and a division of the People's Liberation Army and took part in many battles, making immortal contributions to the revolutionary cause of the Chinese people.

After the founding of the People's Republic of China, He Ying served as China's consul general and counsellor to Indonesia, ambassador to Mongolia, and Ambassador to Tanzania and Uganda.

As one of the first generation of diplomats of New China, He Ying made important contributions to the development of New China's foreign affairs.

He became a member of the Standing Committee of the National People's Congress in 1983.

He's body was cremated today at the Babaoshan Revolutionary Cemetery in the western suburbs of Beijing.

### **Structural Reform in Northwest Surveyed**

*OW 2510012493 Beijing XINHUA Domestic Service in Chinese 0538 GMT 14 Oct 93*

[By reporters Wang Mancang (3769 3355 3318) and Wang Hongwei (3769 1347 0251): "The Work Has Just Started"—A Survey on the Government Structural Reforms of the Five Provinces and Autonomous Regions in Northwest China"—XINHUA headline]

[Text] Yinchuan, 14 Oct (XINHUA)—These reporters recently conducted a survey on the government structural reforms of Shaanxi, Gansu, Ningxia, Qinghai, and Xinjiang. Results of the survey indicate that work in this area has made a good start.

### **The Driving Force Comes From Pressures**

Currently, experimental structural reform at the county level has been carried out in one-third of the counties of the five provinces and autonomous regions. Structural reform at the provincial level in Shaanxi, which was one of the provinces chosen for carrying out experimental structural reform, started across the province in May. Experimental structural reform at the provincial level has started in Gansu, Xinjiang, and Ningxia; experimental structural reform in Qinghai has been advanced from county level to the prefectural and city levels.

The results of our survey show that the primary driving force for the government structural reforms of the five provinces and autonomous regions comes from three pressures:

—Governments' functions have been increasingly out of step with the demands of the market economy, as a matter of fact, in many ways these functions have become an obstacle to the development of productive forces. In the last few years, governments at all levels in the northwest region have taken a series of measures, including separating government administration from enterprise management and delegating more management powers to enterprises. But, they have not changed much in their practice of excessively interfering in enterprises' management and controlling enterprises too tightly.

—The establishment of government organs is not rational. The functions, responsibilities, and authority of many government departments are not clearly defined and the relationships between them are not straightened out. Governments' orders have not been properly implemented, governments' administrative authoritativeness has declined, government organs have argued back and forth, work efficiency has been poor—all these factors, and other problems arising from overlapping of functions, have become increasingly prominent. Results of a survey show that the functions of 30 percent of Shaanxi's provincial-level departments and bureaus and of 80 percent of its offices overlap with others. The

function of the Gansu Provincial Construction Commission "collide" with the functions in 18 major areas of 10 other departments. As a result, these organs have scrambled to do things beneficial to themselves and no one has wanted to do things that do not benefit themselves.

—Government organs have continued to expand, their personnel have far exceeded the authorized sizes, and they have been financially overburdened. Compared with 1983, currently Gansu's provincial-level organs have increased 38.6 percent, its prefectural-level organs have increased nearly 100 percent, and its county-level organs have increased 56 percent. Most of the personnel over and above the authorized sizes are those in leading posts. Many units have had more leading cadres than ordinary cadres; as a result, many things have not been done while many cadres have had nothing to do.

"More people consume and fewer people produce"—this situation has created financial crises in many localities. In 1985, Gansu Province financially supported 470,000 people; the number now has sharply increased to 700,000. Personnel expenditure accounted for 42 percent of the province's financial revenue in 1992, and 63 of the province's 86 counties have received financial subsidies from the provincial government. Xinjiang, Ningxia, and Qinghai also cannot survive without state subsidies. Shaanxi, which is financially the strongest province among the five provinces and autonomous regions, also needs an "advance" in many areas.

Because of the aforementioned reasons, cadres at all levels in the northwest region have had a sense of urgency for structural reform.

#### **We Should Hold the "Nose of the Ox"**

The key to making our efforts to simplify government administrative work more fruitful lies in holding the "nose of the ox"—transforming government's function. All the five provinces and autonomous regions have had a clear idea about structural reform—deciding government's function according to the needs of the market economy; deciding the establishment of government organs according to the needs of government function; and deciding the personnel sizes according to the sizes of organs. All units carrying out experimental structural reform have conducted detailed surveys and analyses on government functions. Baoji City used statistical methods to list out item by item the routine work conducted within six months by several general-service departments under the city authorities, and found that 60 percent of the work of these departments should be under the jurisdiction of enterprises, social departments, and departments handling party-masses relations, and only 40 percent should be handled by functional departments. Gansu's Dingxi County and Qinghai's Qilian County broke down party and government organs' functions into 900-plus and 300-plus items respectively, and sorted out those functions that overlapped with others, those that have weakened or disappeared under market economic conditions, and those that needed to be strengthened. They then redefined government functions according to the principle of separating

government administration from enterprise management, and separating government administration from general affairs management.

Government bodies were set up on the basis of redefined functions. Circumstances in various localities show that changes primarily occurred in departments tasked with general economic affairs and agriculture, representing 55 percent of all government departments. Some departments were merged, some departments and bureaus were converted to affiliates, and some organizations were changed to enterprises. Structural reform entailed the elimination of approximately half the government bodies in Shaanxi Province. An average of 19 government bodies were disbanded in the pilot counties.

The "deity" was relocated following the demolition of the "temple." Organizations directly under the Shaanxi provincial government slashed their staffs by 31.5 percent. The pilot counties and cities also reduced their personnel by approximately 20 percent.

The pilot regions are now searching for a mechanism by which they will exercise self-restraint in staffing arrangements as they carry out structural reform. The authorities in Baoji City have enacted a dozen or so rules and regulations, thus establishing a comprehensive system for managing staffing matters through wage funds and on the basis of budgetary appropriations. Under this system, the wages and financial appropriations for government, party, and mass organizations at all levels are allocated according to assigned staffing quotas. Staffing changes are not accompanied by corresponding changes in financial appropriations. This system couples staffing arrangements with economic returns, thus effectively preventing organizational and staffing expansion. From 1985 to the end of 1992, the city authorities slashed more than 2,000 personnel in party, government, and mass organizations and discharged over 1,500 nonessential personnel. Besides managing to keep to the assigned quotas for seven consecutive years, they maintained their staffing strength at 200 people, thus saving more than 10 million yuan in funds for the state.

The pilot units described the practice of first finding jobs for surplus personnel and then reassigning them to those jobs as "repairing the canal before releasing water." They said this practice could diminish resistance to reform and avert major social repercussions. Facts show that this practice is effective.

#### **Reform Needs To Be Deepened**

In the process of structural reform, governments at all levels and their personnel are both the leaders and targets of change, a situation that has inspired mixed feelings in cadres at all levels.

We found that while the majority of people favored early changes, they only wanted changes for other people because they were reluctant to forego their vested rights and interests. In reforming organizations directly under



the provincial governments, we found that many departments and bureaus went out of their way to emphasize their own importance and sought to expand themselves. They even vied for status and staffing quotas by fair means or foul. In areas where organizations directly under the provincial (autonomous regional) governments had not yet commenced reform, some departments, afflicted by a sense of crisis, tried to mislead public opinion in an effort to consolidate themselves.

We found that everybody wanted to see other people discharged but were afraid of getting the ax themselves. A reduction of one-third of the staff, or even more, would be desirable. However, in implementing staffing plans, the majority of people did not want to leave government departments. Many people in converted or merged units resented the fact that they were being dismissed in the course of structural reform.

We found that people took a wait-and-see attitude, with the lower levels waiting for changes to occur first at the higher levels. During the survey, many people said: Nobody can tell exactly what form of government should be instituted in a market economy. Higher levels should first till the "experimental farms" [experiments with structural reform] before promoting them at the grass-roots level. They said in a particularly emphatic tone: In personnel matters, we used to institute many measures, such as simplifying administrative structures and sending people to work at the grass-roots level. Several decades later, we are again implementing similar policies. The practice of revoking our policy for reconsideration and then implementing it again can complicate things. We should not act recklessly this time around. We found that a significant number of government functionaries adopted a wait-and-see attitude.

We found that organizational changes hardly caused changes in work methods and styles. After structural reform, many comrades carried on their previous work methods, failing to serve enterprises and exercise supervision and control in accordance with the law of the market economy.

Mindful of this situation, many farsighted people are calling for efforts to further deepen reform as a means of solving these problems.

#### **National Construction Body Criticizes Corruption**

*OW 2310164493 Beijing XINHUA in English 1507  
GMT 23 Oct 93*

[Text] Beijing, October 23 (XINHUA)—The Third Standing Committee of the Sixth Central Committee of the China Democratic National Construction Association (CDNCA) ended here today.

The participants unanimously supported the decisions made by the Central Committee of the Communist Party of China and the State Council to struggle against corruption, holding that the anti-corruption work was indispensable for the country's reform, opening to the outside world

and economic construction and was in accordance with the people's interests and wishes.

The CDNCA, founded in 1945 by patriotic national entrepreneurs and intellectuals, is one of the eight non-communist democratic parties in China today.

The committee urged all the organizations and members of CDNCA to further emancipate their minds and improve their standards to participate in the political and democratic supervision, guided by Deng Xiaoping's theory of building socialism with Chinese characteristics.

Sun Qimeng, chairman of the Central Committee of CDNCA, presided over the meeting.

Before this meeting, the Central Committee of CDNCA had held a conference on organizational work at which it made a number of decisions on such work, urging the organizations at all levels of CDNCA to enhance and improve the construction of the party.

#### **Beijing Hosts Seminar on Tibetan Buddhism**

*OW 2310093493 Beijing XINHUA in English 0858  
GMT 23 Oct 93*

[Text] Beijing, October 23 (XINHUA)—About 100 living Buddhas, masters, eminent monks, and researchers in Tibetan Buddhism attended a symposium on Chinese Tibetan Buddhism here today.

Participating in the seminar were Zhao Puchu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) and president of the Buddhist Association of China, and Ngapoi Ngawang Jigme, vice-chairman of the National Committee of the CPPCC.

During the five-day symposium, academic exchanges on Buddhism will be conducted. Working reports and plans for preservation, research and developing of the Tibetan Buddhism culture will be presented for discussion.

In addition, regulations for Buddhism research works of the Tibetan Buddhism Research Center will also be submitted for approval.

The research center, the highest Tibetan Buddhism research institution in China, was founded by the late Panchen Lama, Bainqen Erdini Qoigy Gyalncain.

With a history of over 1,300 years, Tibetan Buddhism is regarded as an encyclopedia of Tibetan culture since it embraces religion, history, philosophy, art and medical science.

Besides the Tibetan and Mongolian nationalities, which profess the Tibetan Buddhism, believers can be found among such nationalities as the Han, Tu, Naxi, Lisu, and Yugur.

Chinese Tibetan Buddhists mainly live in the Tibet Autonomous Region, Inner Mongolia Autonomous Region, Qinghai, Sichuan, Gansu, and Yunnan Provinces, and in Beijing.

### Minister on Improving Television Industry

HK2510061493 Beijing RENMIN RIBAO in Chinese  
14 Oct 93 p 5

["Excerpts" of a speech by Ai Zhisheng, minister of radio, film and television, at a "recent" national discussion meeting for the directors of television broadcast stations at the provincial level; place and date not given: "Strive To Create a New and Flourishing Situation in the Television Industry"]

[Text] China's television industry has continuously developed and improved since beginning broadcasting in 1958. It has made giant strides under the leadership of the Central Committee and the State Council, particularly in the 15 years since the Third Plenary Session of the 11th Central Committee, and is still in the ascendant. There are currently 614 television broadcasting stations across China. Especially since programming began to be transmitted via satellite in 1985, development has been ever faster. By June 1993, the number of satellite ground reception stations had already exceeded 40,000, many times higher than expectations. By June this year, the rate of television coverage was 81.39 percent. The number of privately owned TV sets is 20 per thousand people in China, exceeding the world average level of 15 per thousand people. The accomplishments that have been made in developing the television industry have been enormous, and it is one of the industries that has enjoyed the most rapid development in China. The question today is no longer one of building stations with repeated coverage; now the primary task is to expand the television coverage rate for the general population and resolve the problem of the approximately 20 percent of the population who do not have access to television. This is the primary issue in the development of the television industry in the frontier, minority nationality regions, and those with complicated terrain.

Under the direct leadership of the Central Committee and the State Council, television propaganda, as the mouthpiece of the party, the government and the people, has played a very great role in the building of socialist material and spiritual civilizations over the years, with continuous improvement in the quality of programs. Especially in the wake of Comrade Deng Xiaoping's talks during his southern inspection tour and the 14th Party Congress, to meet the needs of building the socialist market economy, television stations throughout China have continuously deepened news reform. China Central Television Station [CCTV] initiated the "Joint Economic Newscast," and, beginning in last March, the number of daily newscasts was increased to 11 to provide continuous coverage. Comrades from various provinces have attached great importance to doing a good job of running the "Joint Newscast," and are very willingly to supply CCTV with reporting. The development of teleplays has also been relatively steady, and the quality of the programs has greatly improved. The central leading comrades have required great improvement in television programs. Here, I would like to deal with several

issues in television programs quality by linking them to my study of the spirit of the central leading comrades' instructions.

### Correctly Grasp the Guidance of Public Opinion

To grasp well the guidance of public opinion is the primary task of television as the mouthpiece of the party and government. A XINHUA survey showed that approximately 63 percent of Beijing's residents receive important news from television, and people have become accustomed to getting information from the "Joint Newscast." This being the case, the primary task for television is to do a good job in news broadcasting. In actual fact, newscasts enjoy the highest viewing rate of our programs, the viewing rate of Beijing's joint newscast is around 40 percent. Therefore, the issue of the public opinion's guidance in news is of primary importance. One should be bold at giving guidance for television news, should be good at doing so, and should be correct. The guidance of public opinion for news should adhere to the basic line of "one center, two basic points," solidarity, stability, and agitation, as well as the principle of positive propaganda as the key. It is imperative to proceed from the overall situation, do a good job with the appropriate propaganda, avoid onesidedness and arbitrariness, and guard against false, distorted, and onesided reports while refraining from stirring up a certain atmosphere. It is imperative to take economic construction as the center, adhere to reform and opening up, and do a good job of dealing with the relationship between augmenting macroeconomic regulation and control and reform and opening up as well as the relationship between the anti-corruption struggle and reform and opening up. To take economic construction as the key means placing economic construction at the center in television news broadcasting.

It is also necessary to properly grasp the guidance of public opinion in world issues.

In news broadcasting, it is necessary to pay attention to explaining questions and doubts, easing people's minds, and giving guidance to the masses to augment unity within the people to maintain social stability. The supervision of public opinion does not mean exposition for exposition's sake, as exposition aims to find a solution to problems, and, therefore, the people should have confidence in resolving problems. Criticism should produce positive results and should include a presentation of the method used to resolve the problem. Today, there is an increasing number of programs, such as hot line calls and dialogues, which call special attention to the guidance of public opinion.

### Adhere To Variation, Strengthen the Central Theme

It is imperative to strengthen the central theme of patriotism, collectivism and socialism in television programs, especially in literature and art programs and other special topics. We should continuously improve the ideological and artistic values of our programs, and, of course, our programs should also be entertaining and interesting. All this should be merged with great efforts to broadcast

high-quality programs fit for connoisseurs. In the creation of programs in various categories, it is necessary to ensure high standards, high quality, good taste, and the presentation of gems. At the same time, we must exert great efforts to correct base and vulgar elements in literature and art programs, and entertainment should serve an educational function. Every year, voluminous letters from the masses reflect a great number of problems in this area and express their great expectations. For some time now, many inferior and vulgar elements have been surfacing in our literature, publications, movies, and teleplays, including several comparatively conspicuous "marginal" cases. This problem calls for urgent attention. We should be very strict in controlling broadcasts of imported programs. On this issue, we should avoid putting economic returns above all other issues. The effect of movies and television programs on the teenager should not be neglected. Movies and television programs play a great role of exerting a subtle influence on a teenager's character and thinking. For some time, there has been too much popular music from Hong Kong and Taiwan on the air, and that is abnormal. Not long ago, Chinese classical musical works were written primarily by musicians from mainland China in the 20th Century through discussion and assessment. Movies and television programs should advocate the spirit of pioneering in hard struggle, should oppose extravagance and waste, and should resist money worship and hedonism. Today, there are relatively more complaints against advertisement in society, primarily, the propaganda of luxurious and high-quality consumption. We should make great efforts to refrain from propagating the rich and famous lifestyle of movie stars and pop singers. Instead, we should portray advanced figures in all trades and enable those advanced figures who have made great contributions to society to appear on screen more frequently. Recently, a State Council leading member has required CCTV to devote more coverage to advanced figures on the science and technological front. CCTV has initiated a special weekly three-minute program called "Scholars of the Chinese Nation." We hope for comprehensive support from various places. Middle-aged and young scientists and technicians should be given more publicity. The central theme should also be strengthened in all other programs on special topics in various categories. At the same time, the central theme and any variations should be unified, so that the program has greater value and becomes healthy, civilized, rich, and colorful. Augment Control, Be Strict in Ensuring Political Soundness [subhead]

We should place the interest of the party and the people above all else. We must have a clear-cut stand and be strict in ensuring political soundness while establishing and augmenting the responsibility system. For the sake of socialist spiritual civilization and social stability and unity, we must have a clear-cut stand. The overwhelming majority of the audience with political consciousness in China supports us. We hope that the leading comrades of various radio and television broadcast stations will acquire a clear-cut political stand, will maintain highly unanimity with the Central Committee, and will be strict with ensuring political soundness.

It is imperative to be strict in controlling satellite ground reception stations.

It is imperative to run cable television stations properly. Cable television stations by their nature represent supplemental coverage, and it is imperative to keep these stations under strict control.

All areas should attach importance to relaying CCTV programs.

It is imperative to augment control over the broadcast of overseas programs.

The permit system for teleplay production should be earnestly implemented; unauthorized production teams should be halted, and

Control over advertisement should also be magnified.

#### **"Compensatory News Reporting" Must Be Banned; a Good Image Must Be Established**

"News with compensation" must be banned, and professional ethics work must be augmented. The central leading comrades have attached great importance to this issue. The Central Propaganda Department and the State Press and Publications Administration have jointly issued the "Circular on Augmenting Building Professional Ethics Among the Rank and File of Journalist Workers and Banning 'Compensatory News Reporting'." Comrade Ding Guangeng called a discussion meeting on that issue for leading members of all press units in Beijing. The issue of banning "compensatory news reporting" must be grasped unflinchingly; it is imperative to change the conditions of the past to repair the bad effects and establish a good image for our socialist television as well as a good reputation for our television workers.

We hope that the CCTV and local television stations will strengthen their ties, support one another, cooperate with each other in unity, develop in a healthy way, and work hard to create a new situation in China's television industry, which is full of vigor and vitality.

#### **Government Expands Rural Television Network**

*OW 2510052893 Beijing AINHU 1 in English 0508 GMT 25 Oct 93*

[Text] Changsha, October 25 (XINHUA)—China has set the expansion of television and radio networks in the rural areas as a major task in the 1990's.

It will give priority to television and radio broadcast coverage in remote, border and poverty-stricken areas, according to a national meeting on financial management of broadcasting and television, held in Changsha, capital of central China's Hunan Province.

The meeting was sponsored by the Ministry of Radio, Film and Television, and the Ministry of Finance.

He Dongcun, vice-minister of radio, film and television, told the gathering that the coverage rate of broadcasting and television was not very high in China, especially in remote areas.

There were still about 200 million people unable to watch television and 300 million who cannot receive radio broadcasts. Those people mostly live in remote and poor areas.

In some remote areas, the broadcast signals are not strong enough.

Some of the local television and broadcast stations' capacities are not big enough, he said.

Vice-Minister of Finance Liu Jibin pledged at the meeting that various-level financial departments would give full support and cooperation to the expansion and construction of T.V. and radio facilities in these areas.

### **Male, Female Population Figures Reflect 'Social Problem'**

HK2510025893 Beijing ZHONGGUO XINWEN SHE in Chinese 0936 GMT 16 Oct 93

[Text] Hong Kong, 16 Oct (ZHONGGUO XINWEN SHE)—In the Chinese mainland, many people have the impression that among unmarried people who have reached marriageable age, the number of females is higher than that of males. However, according to the statistics disclosed in an article carried by the latest issue of ZHONGHUA WENZHAI [CHINA DIGEST], the reality is not only diametrically opposite to what is thought, but also very grim. The Chinese mainland has 52 million more males who have reached marriageable age than females.

In its "Portrait of Society" column, ZHONGHUA WENZHAI raised this social problem, which cannot be regarded as unimportant, under an eye-catching banner which read "China Cannot Just Have Men Left."

According to the article, in 1984 in the Chinese mainland there was a great upsurge of helping older boys and girls solve their marriage problems. The impression then was that of the unmarried population, females outnumbered males. Public opinion makers were also sympathetic toward the "older girls." However, the 1982 census and the 1987 sample survey showed that of the nation's total unmarried population aged 28 to 49, males constituted 93.7 percent, while females amounted to just 6.3 percent. In other words, of the unmarried older youths, the number of males exceeded the number of females by nearly 10 million.

What we have discussed above is just the sex gap between unmarried males and females aged 28 to 49. So, what about the sex ratio between males and females?

The article pointed out: According to the statistics, by the end of 1992, the Chinese mainland had 593,945,250 males, approximately 34,470,000 more than the number of females. In the elderly population, men outnumbered women. A calculation based on this situation showed that

of those of the population who had reached marriageable age, China had about 49,020,000 more males than females. If the number of servicemen is included, China had 52 million more males than females.

The article said: The fundamental reason behind this grim phenomenon is the traditional concept of "regarding men as superior to women," coupled with other economic factors.

The article appealed to the descendants of the dragon to discard this outworn concept and stop ignorant child-bearing behavior, because China cannot just have men left.

In addition to the article portraying society with a heavy heart, ZHONGHUA WENZHAI also carried many thought-provoking and highly readable important articles. Its "Everybody Talks" column carried "The People Sue Officials, the Chinese People are Becoming Bolder and Bolder," an article portraying a new social phenomenon, and its "Economic Square" column carried an article entitled "Forged Banknotes are Troubling the Money Market." The issue also devoted considerable space to introducing noted Chinese actress Chen Chong, who is pursuing her career overseas, and Chinese female antidrug task force leader Mao Fuying.

### **'Criminal Medical Research Association' Established**

OW 2310164593 Beijing XINHUA in English 1315 GMT 23 Oct 93

[Text] Jinan, October 23 (XINHUA)—A new criminal medical research association, which is under the China Society on the Reform of Criminals Through Labor, was set up here today in Jinan, capital of East China's Shandong Province.

The first session of the criminal medicine division was formed by 28 members from the medical and health centers for reform of criminals through labor throughout the country.

Being a non-governmental organization, the division has special clients, working environment and requirements. Many of the problems it plans to explore, such as disguised illness, self-inflicted wounds, venereal diseases and mental diseases, have not yet attracted enough attention among ordinary medical workers.

Criminal medicine is one of the frontier disciplines. Chinese medical workers in the field of reform through labor have made great contributions to ensure the health of criminals and to promote the reform since the founding of New China in 1949.

### **Science & Technology**

#### **Li Peng Sends Letter to Environmental Meeting**

OW 2210145393 Beijing XINHUA in English 1424 GMT 22 Oct 93

[Text] Shanghai, October 22 (XINHUA)—The second National Conference on Control of Industrial Pollution opened here today.



Li Peng, China's premier, sent a letter greeting the opening of the conference, stressing that industrial production is the major source of pollution of the environment and that to bring industrial pollution under control was of great importance to improving the environment for production and people's lives, and to keeping the economy developing in a sustained and healthy way.

The meeting is aimed at further defining the tasks and targets in control of industrial pollution in the 1990s on the basis of summing up the experience of the past decade in this field, carrying out the policy of putting prevention first, publicizing clean production, implementing effective measures for control of industrial pollution, and making the environment and economy develop harmoniously.

The meeting recognizes that while developing the market economy, it is necessary to constantly strengthen the government's functions in environmental administration.

The meeting will concentrate on establishing and improving a new administrative system of controlling industrial pollution under the new circumstances, and draw up a series of policies and measures for control of industrial pollution.

Song Jian, state councillor and chairman of the Environmental Protection Committee of the State Council, made a key speech at the conference today.

#### **State To Build Radioactive Waste Disposal Sites**

*HK2210095593 Beijing ZHONGGUO XINWEN SHE in English 0934 GMT 20 Oct 93*

[Text] Beijing, October 20 (CNS)—China is to build four radioactive waste disposal sites in the northwest, southwest, east and south of the country.

Surveys and feasibility research have already been undertaken at the northwestern site and construction work there will shortly get under way. The first-phase project of this site will have a storage capability of 60,000 cubic metres and will go into operation in the mid-1990s. Its second-phase project will expand the site's storage capacity to 200,000 cubic metres. The other three sites are now under site selection.

The storage of radioactive waste will be supervised at two levels, namely at state and provincial levels with radioactive substances in cities being controlled by the relevant province and that produced by nuclear industry entities will be administered by the China Nuclear Industrial Corporation. As the highest supervisory body, the National Environmental Protection Agency will have overall supervisory powers and will be responsible to the state.

China has worked out a deep underground disposal programme for such waste with basic research on it under way. The country is taking an active attitude to international cooperation in this field.

#### **Xu Wenyao Named Institute of Geophysics Director**

*OW2510100693 Beijing XINHUA Domestic Service in Chinese 1115 GMT 20 Oct 93*

[By reporters Chen Jinwu (7115 6855 2976) and Qin Chun (4440 2504)]

[Text] Beijing, 20 Oct (XINHUA)—The Chinese Academy of Sciences (CAS), which took the lead in openly inviting applications from society for the posts of directors of research institutes earlier, today announced that 49-year old Xu Wenyao [1776 2429 5069], who made a self-recommendation, is appointed as director of the Institute of Geophysics after evaluation and examination.

The Institute of Geophysics of the CAS is a research institute with a significant influence at home and abroad. The institute has many capable people. Since the previous director of the institute, Liu Guangding, had reached retirement age and would not continue in the post of director, the CAS decided to openly invite applications for the post of director of the institute from people at home and abroad based on an "open, democratic, equal, competitive, and selective" principle. Since the announcement of the news in July this year, it was warmly responded to by academic circles at home and abroad and attracted the attention of various circles of society. As of 8 August, 30 people from 24 units in 12 trades had applied for the post. Through all-around examination of all applicants, the CAS finally decided to select Xu Wenyao, who was the head of a division of the Institute of Geophysics, as the new director of the institute.

Xu Wenyao has made outstanding academic achievements. He graduated from the Department of Mathematics and Physics of the Xian Jiaotong University in 1966. He has been mainly engaged in the study of the principal world magnetic fields. He is a council member and vice chairman of a special committee of the China Space Science Society. In 1991, he was awarded the prize of "Chinese Doctorate With Outstanding Contributions" by the State Education Commission and the Academic Degree Committee of the State Council.

At today's press briefing, CAS Vice President Wang Fosong said: Openly inviting nationwide applications for the post through a competitive system by the academy is unprecedented. The current case of openly inviting applications has created an opportunity and conditions for outstanding scientific-technological personnel to become leading personnel. It is also a beneficial trial in the employment and personnel system for scientific-technological cadres in our country.

#### **Military**

#### **Daily Discusses 'Difficulty' of Urban Garrisons**

*HK2110033093 Beijing JIEFANGJUN BAO in Chinese 11 Oct 93 p 3*

[By Wu Xiangqing (0702 4161 1987): "Strengthen Urban Garrison Work in the New Period"]



[Text] Along with the deepening of reform and opening up and with the development of the socialist market economy, more and more cities with troops garrisoned in them have become "hot spots" in the opening up drive. This has injected new vitality and energy in army building and urban garrison work. Yet it has also brought about, at the same time, many new situations and problems to the urban garrison work. For example, the increasing number of garrison organs has added to the difficulty of management. Many military enterprises and Army units have set up representative offices in "hot-spot" cities for development and investment purposes. A great number of Army units have lent their barracks to local civilian units, set up offices in space rented from local civilian units, or recruited and employed civilian personnel, thus adding to the difficulty of urban garrisons and leading to a chaotic situation featured by the mixing of military and civilian units. While engaged in transregional production and operation, some officers and men who are not working under the organizational system of the Army for a long period of time are apt to relax self-restriction and self-control. The environment around the barracks in urban areas is becoming increasingly complicated, and the erosion and adverse influence of decadent ideologies and cultures are the causes of the unhealthy behavior of weak-willed officers and men. In addition, the number of military vehicles owned by urban garrison troops is rapidly increasing, and this problem has become more noticeable. On the one hand, the development of production by garrison troops results in an increase of military vehicles in urban areas. On the other hand, taking advantage of preferential policies offered by local governments under which military vehicles are exempted from paying road maintenance charges, tolls for crossing bridges, and highway inspections, a number of local enterprises and administrative institutions, as well as individual businessmen, try their best to obtain special military vehicle plates for their vehicles, and some lawbreakers even steal and counterfeit military vehicle plates and certificates for illegal purposes. To counter such a situation, we need to conscientiously implement the tentative regulation of garrison duties, strengthen leadership, be clear about our responsibilities, rationalize relations, uphold systems, enhance quality, and give better play to the functions and roles of garrison organs.

**It is necessary to adopt a correct ideological approach, and strengthen organizational leadership.** Judging from the present situation, we need to pay attention to three confused concepts: The first is the concept of "being powerless." Because the urban garrison organs are poorly equipped and do not have sufficient hands, some comrades consider that they "cannot cook a meal without rice." The second is the concept of "fear." Some believe that working in an urban garrison is a thankless job because the Army units stationed in the city are of a higher grade and the leadership relations are quite complicated. The third is the concept of attempting and accomplishing nothing. Some garrison commands of medium and small cities lack enthusiasm and initiative in carrying out urban garrison work, for they find it hard to support themselves

in medium and small cities where only a small number of troops are stationed. Relevant leaders and institutions should earnestly regard urban garrisons as an important component part of military administrative work, and place the work on the agenda. They should strive to improve organizational leadership, concern themselves with garrison work on a constant basis, and go deep into the realities of life to make inspections and give concrete guidance. It is necessary to take a good lead in coordination, support and assist functional garrison departments in carrying out their work boldly, and be strict in law enforcement. To constantly improve the capability of garrison commands in carrying out garrison services, efforts should be taken, in line with the requirements of the headquarters, to allocate special funds every year to purchase necessary equipment and facilities for garrison purposes.

**Efforts should be made to intensify function awareness and to conscientiously carry out duties.** Garrison commands are not only military organs under the overall establishment of the Army, but also military departments and military service organs of the local governments. Some garrison commands are responsible not only for the military troops and militia reserves, but take charge of urban garrisons as well. Urban garrison work, in essence, provides service for and constitutes an indispensable part of Army management. Under the present situation in which the Army is taking part in more and more social activities, garrison work plays an increasingly greater role in maintaining the reputation of the Army, as well as in protecting the rights and interests of soldiers.

**Measures should be taken to rationalize various work relations and do a good job in coordinating with both military and nonmilitary organizations.** To strengthen urban garrisons, we must pay attention to handling the following four relationships: 1) relations between garrison commands and leaders at higher levels as well as administrative organs in charge; 2) relations between garrison commands and army troops stationed in the area; 3) relations between garrison commands and local governments as well as public security and traffic police organs; and 4) relations between paying attention to inspection and guarding and strengthening self-building.

**It is imperative to observe rules and regulations persistently, and to impose management in strict accordance with the law.** Due to their weak awareness of rules and laws, when carrying out garrison duties, some units even worked and acted according to their own rules and policies in violation of the law. When they handed out punishment, in particular, there were no clear-cut and unified standards for them to follow, and neither was there a strict management system on the use of penalties. All this has impaired the seriousness of law enforcement. Under such circumstances, we need to carry out garrison duties in accordance with garrison rules and relevant regulations, strive to perfect the system at an early date, take various effective measures to impose management according to the law, and constantly standardize urban garrison work. To this end, we still need to strengthen the self-building of urban garrison organs, bring up an highly efficient garrison

contingent which is ideologically qualified, proficient in professional work, honest, and upright in work style; and can play a sound leading role, and turn garrison duty squads into models in observing rules and discipline and in law enforcement, into "guardians" who can protect the image and reputation of the Army, and into "windows" for the display of the mighty power and civilization of our Army.

### State Opens First Minority Militia Academy

OW1910112993 Urumqi Xinjiang Television Network in Mandarin 1330 GMT 10 Oct 93

[From the "Xinjiang News" program]

[Text] The Xinjiang People's Armed Forces Academy—China's first institute for training militia cadres of ethnic minorities—was inaugurated in Urumqi yesterday. Liu Jingsong, commander of the Lanzhou Military Region; Song Hanliang, secretary of the Xinjiang regional party committee; and Fu Bingyao and Pan Zhaomin, leaders of the Xinjiang Military District, attended the inauguration ceremony.

In his speech, Liu Jingsong hoped that the academy will uphold the correct orientation in its operations, using Mao Zedong's military thought and Deng Xiaoping's thought on army building in the new period as its guide. He urged the academy to train a large number of militia cadres who are loyal to the party, the people, and the socialist motherland and who cherish the militia's work and who are developed in an all-around way—morally, intellectually, and physically.

In his speech, Song Hanliang said: In the new situation of accelerated reform, opening up, and building a socialist market economy, the militia and reserve work have encountered new issues and problems. In the face of a more glorious and arduous mission, we must strengthen leadership over militia work and over the training of militia cadres to adapt them to the new situation. We must pluck up our spirits, add to our achievements, overcome difficulties, make constant efforts to explore new rules and characteristics in building a reserve force, and raise the building of militia and reserve forces in our region to a new level.

The Xinjiang People's Armed Forces Academy, which is jointly operated by the autonomous region and the Xinjiang Military District, selects cadets from the district's military units to receive two years of training. The first group of cadets, recruited this year, a total of 120 cadets of Uygur, Kazakh, Hui, Mongolian, and other minorities, will be assigned to grass-roots armed forces departments in various localities upon graduation from the academy.

### Center Converts Technology to Civilian Use

OW1910133993 Beijing XINHUA in English 1306 GMT 19 Oct 93

[Text] Beijing, October 19 (XINHUA)—Four kinds of military industrial technology and products were publicly

listed for popularization for civilian use by a national defence technology development center here today.

It is only one of the steps which the Defence Scientific and Technological Achievement Development Center (D.A.D.) has taken for promoting the conversion of the country's military industrial technology to civilian use, since it was established in March this year.

D.A.D. is the only comprehensive organization for the commercialization, industrialization and internationalization of defence scientific and technological achievements in China.

Its aim is to provide China's defence industry enterprises and research organizations with such services as technological transfer, development, advice and training as well as popularization of military industrial technology, said the head of D.A.D.

The organisation has lifted the security classification of nearly 3,000 aspects of defence technology and set up a data base which contains details of 17,000 defence scientific achievements. Meanwhile, it has developed economic and technological cooperation with Hong Kong, Taiwan and some European and American countries.

The four kinds of technology and products listed here today include high-energy gas pressure-cracked bomb used for oil well reparation, technology of comprehensive utilization of coal ash from thermal power plants, technology and equipment for synthesizing surface materials of solid lubrication (sulphide) of metal parts and serial optical-electronic toys.

### Army Meets on Mao's Military, Economic Thinking

HK2510021793 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 21 Oct 93

[Text] The first All-Army Symposium on Mao Zedong's Military and Economic Thinking aimed at marking the centenary of Mao Zedong's birth closed satisfactorily in Changsha yesterday [21 October]. Experts and professors from the military regions, arms and services, military academies, and units aired their views and spoke volubly about the development course, historical role, and immediate significance of Mao Zedong's military and economic thinking.

The symposium is jointly sponsored by the Scientific Research Department of the National Defense University and the Hunan Military District. The symposium also evaluated more than 70 theses submitted by units from the whole Army and selected 47 outstanding theses.

Lieutenant General Hou Shudong, vice president of the National Defense University; Major General Yuan Yuan, deputy director of the Logistics Department of the Guangzhou Military Region; Major General Chen Minqun, director of the Scientific Research Department of the National Defense University; Major General Pang Weiqiang, commander of the Hunan Military District, and

Major General Dong Hanmin, political commissar of the Hunan Military District, attended the symposium.

### Beijing Requires Military Draft Registration

HK2310062893 *Beijing CHINA DAILY in English*  
23 Oct 93 p 3

[By CHINA DAILY staff reporter: "Beijing Men Get Set To Join PLA"]

[Text] More male citizens aged 18 to 21 in Beijing are expected to register for military service following new municipal legislation.

The new measures, which went into effect in August, are aimed at making it more difficult to avoid the draft.

The action comes as China is in the midst of a winter recruitment drive aimed at bolstering the ranks of the People's Liberation Army (PLA).

As part of the recruitment drive, Beijing started registration procedures on Thursday.

According to a regulation passed by the Standing Committee of Beijing Municipal People's Congress in June, all male citizens in Beijing between the ages of 18 and 21 are required to register for military service.

Those who fail to register could face punishment ranging from fines, administrative disciplinary actions to one-year suspension of business licenses.

The regulation stipulates that all those who register will receive registration cards. Card holders will enjoy preference in seeking jobs and applying for entrance to schools.

This regulation is a change from the traditional system of voluntary registration.

The State Council and the Central Military Commission last week issued an order asking local recruiting agencies to enlist the best young people into the PLA.

Males between the ages of 18 and 21 are eligible. They must have at least junior high school diplomas if they come from the countryside, or at least senior high school diplomas if they live in cities.

Young people from remote rural areas in minority regions, border regions or islands can also be drafted by the PLA if they have primary school educations.

### First Nuclear Submarine Serves 20 Years

OW2510025593 *Beijing Central People's Radio Network in Mandarin* 1030 GMT 19 Oct 93

[From the "National Hookup" program]

[Text] China's first nuclear submarine, designed and manufactured by China itself, has served 20 years in the people's Navy. Continuing to forge ahead, the officers and men of the vessel, the People's Liberation Army's first contingent of nuclear submarine crew members, have made important historical contributions to the building of New China's nuclear submarine unit. The Navy recently

publicized the heroic deeds of the crew members among all subordinate units and called on them to learn from these heroic deeds.

Over the past 20 years the officers and men of China's first nuclear submarine have set many "China is No. 1" records, some of which broke the world record. They have completed the first long-distance training voyage, breaking the world's longest cruising record held by the Poseidon nuclear submarine of the United States, despite dangers from strong winds of force 8 or greater on nine occasions. Among China's nuclear submarines, they have set the records in duration of time, distance, and average speed in underwater navigation. They have completed all-around nuclear submarine training for the first time, achieving a qualification rate of 100 percent in independent operation. For the first time they sailed out to the ocean along the coast, outstandingly completing a long training voyage and combined forces drill.

Over the past 20 years the crew members of the submarine have trained 12 commanders at and above the divisional level, transferred more than 150 outstanding military personnel and technicians to other fraternal submarines, and have been awarded a collective commendation four times.

### Economic & Agricultural

#### 'Authorities' Formulate 'New Economic Structure'

HK2310080693 *Hong Kong TA KUNG PAO in Chinese*  
23 Oct 93 p 1

[Report: "The Central Authorities Formulate a New Economic Framework To Boost the Sustained, High-Speed, and Healthy Development of the Economy"]

[Text] Beijing, 22 Oct (TA KUNG PAO)—Just as the macroeconomic regulation and control measures have attained initial results across the country, the central decision-making body maintains that it is necessary to "lose no time in advancing reform and opening up and in stepping up the establishment of a socialist market economy in order to boost sustained, high-speed, and healthy development of the economy." This is put forward in line with the spirit of Deng Xiaoping's repeated instruction that "development is the last word" [fa zhan cai shi ying dao li 4099 1455 2088 2508 4289 6670 3810].

The top echelons hold that the 1990's is a crucial period in China's socialist construction, and so, with a great sense of historical responsibility, we should exert great efforts to maintain a fairly high growth rate for the national economy. But this development cannot be attained by relying exclusively on increased input, expanded scale, and the launching of new projects. A fundamental way to solve the contradictions and problems in current and future economic development lies in deepening reform and accelerating establishment of a socialist market economy.

A senior person-in-charge of the CPC Central Committee pointed out: In the 1990's it is clearly possible and urgently necessary to initially establish a new economic structure in

China, i.e., a socialist market economic structure sustained by a reasonable growth rate and investment, and ensuring, on the basis of the smooth realization of the strategic objectives in the 1990's, the development of a set of more mature and finalized new systems, including social, political, and economic systems, in about another 20 years, thus changing once and for all the previous economic development pattern characterized by low efficiency and poor results.

To this end, the CPC Central Committee is paying close attention to the formulation of an overall framework for a new economic structure and the formulation of specific reform plans for the establishment of this economic structure, which includes banking, financial, taxation, planning, and investment structures. It has been learned that the reform plans formulated by the central authorities have been revised several times and solicitation of opinions has been made on a larger scope. The central authorities have also consulted and solicit opinions from the democratic parties and public figures without party affiliation. After further revisions, these reform plans will be submitted for discussion at the forthcoming Third Plenary Session of the 14th CPC Central Committee.

### **Zhu Puts 'Finishing Touches' to Economic Overhaul**

*HK2510010093 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 24 Oct 93 p 1*

[From Peter Seidlitz of HANDELSBLATT in Beijing]

[Text] China's vice-premier and economic tsar Zhu Rongji is putting the finishing touches to a blueprint which will see a radical overhaul of the country's economic system. According to sources, the economic systems of Japan and Singapore have been used as models for the restructuring plans, which will see major reforms in the country's banking, financial, taxation and investment systems—including state-owned enterprises.

Under the reforms the government is to introduce:

- A central provident fund, along similar lines to Singapore.
- A unified corporate tax of 33 per cent on all domestic enterprises. Taxation, according to sources, will not follow Hong Kong's low-taxbase model but will fall more into line with Singapore's high-tax structure.
- A turnover and value-added tax. According to the plan, VAT will be applied to the entire process of commodity production and circulation. In this way the production and supply of cars, liquor and cigarettes will be regulated.
- A unified individual income tax of 33 per cent is to be levied on all foreigners working in China.

Reform of the financial and capital markets will also mean the full convertibility of the yuan, with a convergence of the swap rate and official rate planned. This could mean a devaluation of up to 50 per cent.

It is planned to give the People's Bank of China more independence in monetary policy more in line with Germany's Bundesbank. Helmut Schmidt, former chancellor of West Germany, has been an adviser to the Chinese on monetary policy. The report was prepared by the State Commission for the Restructuring of the Economy, which reports directly to Mr Zhu. According to highly placed sources the plan is scheduled to be placed before the Third Plenum of the Central Committee, which meets in Beijing next month. Called "A Comprehensive Framework for a Socialist Market Economic System" it has been widely circulated among Communist Party leaders. The document is expected to become official party policy at the People's Congress next March.

It is proposed that the economy be steered by administrative policies, similar to the practice in Japan, sources say. There, a powerful bureaucracy has steered industry and corporations in a direction decided by them. Key industries—including the energy and nuclear industries, raw materials and the strategic industries like armaments—will remain in state control but with independent management, as in Singapore.

A pension and savings scheme, similar to Singapore's Central Provident Fund, is being planned as a vehicle for the government to get its hands on additional funds. Prime Minister Li Peng has already approved civil service reform proposals, which will include pay scales and a grading system.

The reforms will include a new economic classification system in which government will have the ultimate say in where industries settle. Heavy industries will predominate in the northeast, hi-tech and electronics will be favoured in Dalian, Beijing and Tianjin, southern coastal provinces will concentrate on exports, energy and heavy chemicals will predominate on the middle reaches of the Yellow River, with mineral resources on the upper reaches, the upper reaches of the Yangtze will concentrate on industries requiring large amounts of energy, and the middle reaches will be China's agricultural corridor.

### **'Central Leader' Urges Investment System Reform**

*HK2210132093 Hong Kong TA KUNG PAO in Chinese 18 Oct 93 p 2*

["Special dispatch" from Beijing: "Central Leader Analyzes Essential Reasons for Failure to Control Capital Construction, Stresses That Investment System Must Be Reformed and That Planning Commission and Banks Must Constrain Each Other"]

[Text] Beijing, 16 Oct (TA KUNG PAO)—A central leader recently pointed out that reform of the investment system is imperative. When investment is not separated from finance, the main source of funds for construction will come from finance. Reform of the investment system is like reform at the origin of a river and is as important as reforming the taxation system and the financial system.

The leader said that practice over the past 10 odd years has proved that several rounds of problems which emerged in



the economy had all resulted from a loss of control over the scale of capital construction. On each occasion we wanted it to be faster, and eventually we lost control over the scale of capital construction, we did not have enough money, and there was inflation, so we could not but carry out rectification and improvement. It was a vicious cycle. At present, we also want to do things faster, do more things, and do bigger things. But the state and local authorities do not have enough money; therefore, they are going to the banks for loans. However, the banks have restrictions on their scale of total lending and need to retain some circulating funds; therefore, the money in the banks is far from adequate. After various projects have been launched, it is discovered that spending has exceeded the budget, hence "debts chains" emerge again. Therefore, we cannot but reform this kind of investment system. We should do as many things as funds allow us to.

The leader said that the core of reform of the investment system is that the State Planning Commission must constrain the policy banks and long-term development credit banks, and vice versa. There has to be a risk mechanism and a restraining mechanism so that capital construction plans can meet the needs of overall state strategy on the one hand, and, on the other hand, can actually provide funds, and this balance must be in place at the very beginning. When dealing with projects beyond quota, the State Planning Commission should formulate plans according to priority, then brief the long-term development credit banks, which will look at the availability of funds and consider convergence at the beginning. In other word, the power to decide on projects rests with the State Planning Commission, and the balancing of funds rests with the long-term development credit banks.

#### **Law on Futures Trading Ready To Be Issued**

HK2410075193 Beijing CHINA DAILY (BUSINESS WEEKLY) (in English 24-30 Oct 93 p 1)

[By Jing Jun: "Futures Law Almost Ready To Be Issued"]

[Text] China is ready to announce a high-profile regulation that will screen the nation's futures trading, an official says.

The implementation of the regulation will help China progress towards a sound socialist market system, a government official explained in an interview with Business Weekly.

"(The regulation) has clear-cut rules on the establishment of futures exchanges and futures corporations, the qualifications of an exchange member and the overseas futures trading," she said.

She did not give further details about the regulations.

But she said the State should set up a unified national surveillance mechanism as soon as possible to oversee futures trading, which has high risks because of its speculative nature.

She said the mechanism must be an authoritative one.

"China's futures trading is still at a trial stage, but it will develop as a socialist market economy comes into full swing," she said.

She called for further reforms in the country's financial and foreign trade sectors to create a good basis for futures trading.

"China must also further liberalize its pricing system," she added.

At present in China more than 80 per cent of commodities are subject to market forces, with only a small proportion still under State control.

A mature futures market must also meet the following prerequisites: First, commodities for futures trading must be standardized.

Second, the market must have support from a relatively developed cash and spot trading market.

Third, it needs sufficient transportation and storage facilities to ensure timely delivery of contracts.

Fourth, it must have the appropriate commodities for futures trading.

Fifth, it must have developed accounting, clearing, financing and legal systems.

Sixth, it must have advanced communications equipment.

Seventh, the government has to employ scientific management methods.

Finally, it must have professional personnel.

Economists say China has yet to show complete competence in all these aspects.

#### **CITIC To Issue Bonds in Overseas Markets**

HK2410075293 Beijing CHINA DAILY (BUSINESS WEEKLY) (in English 24-30 Oct 93 p 2)

[By Ren Kan: "Citic To Issue More Bonds"]

[Text] The China International Trust and Investment Corporation (Citic), one of the country's major organizations attracting overseas capital, is seeking to intensify the issuing of bonds in overseas capital markets.

"We will surely go to the U.S. capital market more frequently in the future," said Hong Yuncheng, president of Citic Industrial Bank.

Citic issued Yankee bonds earlier this year and received a warm welcome from American investors.

Along with issuing long-term bonds, Hong said, Citic is considering issuing commercial papers in the US market.

Commercial papers are a kind of money market security with maturity ranging from 1 to 270 days.

The short-term commercial papers usually offer a low rate which means less cost for Citic's fund raising in the capital market.



It can also improve the corporation's debt structure and help it use its capital more efficiently, Hong said.

While expanding its operations in the US capital market, the president said, Citic will not reduce its presence in the Asian and European market.

Citic will make full use of the existing capital markets around the world, which will bring great benefits to the corporation, he said.

"It was the market that had the right to choose us in the past," Hong said. "Now it is Citic choosing the market."

Since it first issued overseas bonds in the early 1980s, Citic has entered all the major capital markets including those in Tokyo, Singapore, Frankfurt, London and New York.

Citic has developed a good reputation among investors around the world.

Hong, also vice-president of Citic, said the corporation has been approached by many foreign institutions about the establishment of investment funds targetting investment opportunities in China.

These funds, often with management companies registered in Hong Kong or foreign countries, tend to invest more in the stock markets rather than infrastructure projects, which China needs to develop.

And in certain cases, he said, the service fee charged by the management company could be quite expensive.

Having already set up a China Fund with the co-sponsorship of a British bank, Hong said, Citic will take cautious steps in launching new funds.

"If we set up a fund, we should make sure that the fund will be invested and managed appropriately to finance the development of China so that the investors are happy with the fund's performance," he said.

#### **Shanghai To Issue American Depository Receipts**

*HK2510010893 Hong Kong SOUTH CHINA SUNDAY MORNING POST (SUNDAY MONEY) in English 24 Oct 93 p 3*

[By Kerry Wong]

[Text] Three Shanghai companies plan to issue American Depository Receipts (ADRs) to broaden their shareholder base. The three companies - Shanghai Tyre and Rubber, Shanghai ChlorAlkali and Shanghai Erfangji - are waiting for approval from the Chinese Securities Exchange Commission. However, brokers said the ADRs would not help boost China's B-share market. On the contrary, they said the mainland securities market would be affected if too many B-share companies issued ADRs abroad. "Investors will buy selectively those shares which are either listed or traded abroad, so it (the ADRs) will not boost the B-share market as a whole," said Edward Chan Hungkee, vice-president of Nomura International Hong Kong.

It is believed that Shanghai Chlor-Alkali has obtained approval from the mainland authorities and it would be

the first B-share to successfully seek a "level-one" ADR in New York. There are different levels of ADR in New York, of which level one is the most basic. Level one ADRs can only be traded among fund houses. At the beginning these companies may not issue new B shares, but they are expected to do so in the future. According to Meocre Li, the level of information disclosure needed to obtain level one is similar to those required by the Chinese authorities for mainland listings. "They are only required to disclose their half-year results and yearly accounts, which is no different from the existing information disclosure required by the mainland authorities," Mr Li said. It is more prestigious for a mainland company if it can obtain a listed ADR status, since its requirements are the strictest among the ADR categories. The main purpose of issuing ADRs is to let American investors buy their shares in a more convenient way.

It is believed that the China Securities Commission is considering setting a limit on B shares issued in the form of ADRs. Brokers say the limit would be set at 50 per cent of a company's issue capital.

It is estimated that between a third and a quarter of the existing B shares are qualified to get level-one ADRs in New York, according to Mr Li. Currently, there are different ways in which mainland firms can obtain listings outside China, including a direct listing in New York (such as Brilliance China), indirect listing or setting up a joint-venture (such as Ek Chor). In addition, direct listings of mainland enterprises and back-door listings in Hong Kong are the most popular channels. However, the mainland companies will consider the costs involved, especially arising from ADRs, as professional advice has to be sought yearly and half-yearly for their accounts.

China authorities undoubtedly want to activate the B-share market, but it would be better if China shares could be traded inside the country, which is the ultimate aim. If China can build up its infrastructure and enforce and implement its securities' rules to monitor the market effectively investors would be attracted, Mr Li said. The existing accounting system adopted by China firms cannot meet international standards. For example, companies' interim results or yearly accounts are not usually audited. In addition, the official rate of the renminbi is used in foreign exchange translation instead of the actual rate.

#### **Procedures for Machinery, Electronic Imports**

*OW 2210102893 Beijing XINHUA Domestic Service in Chinese 0043 GMT 10 Oct 93*

["Interim Procedures Governing the Import of Machinery and Electronic products"—XINHUA headline]

[Text] Beijing, 10 Oct (XINHUA)—Interim Procedures Governing the Import of Machinery and Electronic Products

#### **Chapter I. General Principles**

Article 1. These procedures are formulated to meet the needs of the development of the socialist market economy,

carry out the state's industrial policy, take vigorous actions to import advanced technologies and equipment from foreign countries, and reasonably adjust the import mix.

Article 2. The machinery and electronic products referred to in these procedures mean mechanical equipment, electronic products, as well as their spare parts and components.

Article 3. These procedures are applicable to all enterprises, institutions, organizations, and groups (hereafter generally referred to as units) when importing machinery and electronic products.

Article 4. The state encourages imports of advanced technologies and equipment and high scientific and technological products; discourages imports of general processing equipment and expensive consumer goods; and prohibits imports of machinery and electronic products that are hazardous to national security and the health of citizens' minds and bodies.

Article 5. Imported machinery and electronic products must meet technical standards for safety and environmental protection which are approved either internationally or bilaterally (China and the original country of the product), and must be accompanied by certificates for product safety and environmental production issued by an internationally or bilaterally authorized agency.

Article 6. The state shall give macro guidance on the overall scale of annual imports of machinery and electronic products, based on the needs of national economic development and the ability to pay with foreign exchange, and in accordance with the principle of maintaining a basic balance between imports and exports.

Article 7. A State Office for Import and Export of Machinery and Electronic Products (hereafter abbreviated as SOIEMEA) shall be established to take charge of coordinating, managing, inspecting, and supervising imports of machinery and electronic products nationwide under the leadership of the State Economics and Trade Commissions.

Under the guidance of SOIEMEA, the people's governments of all provinces, autonomous regions, municipalities, cities with provincial-level decision-making authority, coastal open cities, and special economic zones, as well as administrative organizations appointed by relevant State Council departments (hereafter abbreviated as regional and departmental organizations in charge of import of machinery and electronic products) will be responsible for the administration of imports of machinery and electronic products in their own regions or departments.

Article 8. The state will use quota and non-quota systems to control imports of machinery and electronic products.

## Chapter II. Quota Control

Article 9. In accordance with the state's industrial policies and trade development plans and in light of international practice, the state will exercise quota control on products listed in a quota control catalogue, including those

machinery and electronic products whose imports in proper amount can regulate market supply; but whose imports in excessive amounts can seriously undermine the development of related domestic industries, can directly affect import mix and industrial restructuring, or can jeopardize the state's foreign exchange balance.

Article 10. In light of needs of domestic industrial development and the import policy, the State Economics and Trade Commission shall work together with departments concerned in putting forward opinions on readjusting varieties of machinery and electronic products, which will be implemented after approval and promulgation by the State Council.

Article 11. SOIEMEA is responsible for allotting the State Council's approved annual import quota for quota-controlled machinery and electronic products. The concrete procedures shall be formulated by SOIEMEA.

Article 12. Any units wishing to import quota-controlled machinery and electronic products should file import application forms, relevant documents, and explanations with regional and departmental organizations in charge of import of machinery and electronic products, which will in turn submit them to SOIEMEA. After examination and approval, SOIEMEA will issue quota certificates.

Article 13. With SOIEMEA's quota certificates, importing units can apply with the Ministry of Foreign Trade and Economic Cooperation for import licenses. The customs offices shall inspect and release the imported goods when presented with the import licenses.

Article 14. If the total price for a set of spare parts of a quota-controlled machinery and electronic products reaches, according to customs office's estimation, 60 percent or upwards of the price for a whole set of the same type of product, these spare parts can be treated as a whole set product and be handled in accordance with the regulations governing the quota-controlled machinery and electronic products.

## Chapter III. No Quota Control

Article 15. The state shall not exercise quota control over imports of machinery and electronic products which do not fall into the quota-controlled category. Machinery and electronic products, whose production technologies have been domestically developed or imported but whose industrial application is still in an initial stage and whose development needs to be accelerated by the state, shall be listed in a special products catalogue for importation mainly through open bidding. SOIEMEA will issue import certificates in accordance with the results of the bidding. The customs offices shall inspect and release the imported goods when presented with the import certificates. An automatic registration system shall be implemented for other non quota controlled machinery and electronic products.

Article 16. The special products catalogue and the concrete procedures for listing machinery and electronic products in the catalogue will be formulated by the State Economics

and Trade Commission together with the Ministry of Foreign Trade and Economic Cooperation and other relevant departments, and will be promulgated for implementation after approval by the State Council.

Article 17. Offices that control imports of machinery and electronic products in all localities and relevant departments shall be authorized to administer the registration of nonquota controlled machinery and electronic products covered by an automatic registration system. All importing units should obtain, in accordance with the regulations, registration forms from the offices that control imports of machinery and electronic products in their own locality or department, and should fill out the forms with relevant information such as varieties, quantities, amounts, and original countries of imported goods. The above-mentioned offices on controlling imports of machinery and electronic products can raise objections and have the right to reject the registration if one of the following conditions is found in imported products: 1) imported products are prohibited by the state for importation; 2) imported products are not in line with bilateral or multi-lateral trade agreements; or 3) imported products are hazardous to national security and the health of citizens' minds and bodies. In the event that the above-mentioned offices on controlling imports of machinery and electronic products do not raise objections within 10 days, it shall be considered an automatic approval of registration.

Article 18. Nonquota controlled machinery and electronic products which fall into the category of the automatic registration system shall be released by customs offices when presented with the certified registration forms.

#### Chapter IV. Supervision and Guarantee

Article 19. The validity of an import certificate (including quota certificate; the same is true below) covers one year. If imported products fail to arrive within the valid period, with good reasons, importing units can apply for extension with the original organization that issued the certificate.

Article 20. Contracts with foreign companies for machinery and electronic products, that are required of an import certificate in accordance with these procedures, can be signed only after import certificates are obtained.

Article 21. Offices on controlling imports of machinery and electronic products of all localities and departments concerned should submit statistical materials of machinery and electronic products imported by each locality or department in accordance with the state's regulations on the statistical system; and they should promptly report to the state's departments concerned on control of imports of machinery and electronic products in their respective locality or department.

Article 22. When the rapid increase of imports of a certain kind of machinery and electronic products brings about grave losses or the threat of grave losses to the interests of relevant domestic industries or manufacturers, SOIEMEA and other departments concerned should adopt necessary

measures, in accordance with relevant regulations and judicial procedures, to eliminate or minimize the losses or threat.

#### Chapter V. Legal Liabilities

Article 23. An importing unit is considered to be violating these procedures if it has one of the following situations:

1. It signs contracts with a foreign unit and receives goods from it without obtaining an import license according to these procedures;
2. It alters or forges an import license;
3. It deliberately evades supervision and control by disassembling import machinery and electronic products into parts, or by signing separate contracts or importing parts through different ports;
4. It transfers and resells an import license without authorization;
5. It violates the "Interim PRC Regulations for Licensing Import Goods," or
6. It fails to register according to regulations.

Article 24. Whoever violates these procedures shall be handled by the customs office according to provisions in the "PRC Customs Law" and the "Detailed Rules For Customs Offices' Disciplinary Actions."

Those whose cases are serious and who have violated the law shall be referred to judicial authorities to have their criminal liabilities determined.

Article 25. Supervisory departments shall take disciplinary actions against import controllers who neglect their responsibilities, who bend the law for personal interests, or who abuse their authority in accordance with the seriousness of their cases. Those who have violated the law shall have their criminal liabilities determined according to law.

#### Chapter VI. Supplementary Articles

Article 26. Machinery and electronic products which foreign-funded enterprises import as part of their investment or for their own use shall be handled according to laws and regulations governing foreign investment.

Components and spare parts of machinery and electronic products which foreign-funded enterprises must import for producing goods for the domestic market shall be handled according to these procedures.

Article 27. Customs offices shall exercise supervision and control over the import of machinery and electronic products, as well as their spare parts and components, which will be used by businesses processing materials supplied by foreign firms or imported from abroad into goods for export or for reselling to the suppliers.

Machinery and electronic equipment which businesses processing materials supplied by foreign firms or imported from abroad import for production shall be handled according to these procedures.

Article 28. Machinery and electronic products imported for leasing and compensatory trade shall be handled according to these procedures.

Article 29. The import of machinery and electronic products donated by Overseas Chinese or countrymen in Hong Kong, Macao, or Taiwan shall be handled according to the "State Council Regulations on Strengthening the Control Over Materials and Equipment Donated by Overseas Chinese, or countrymen in Hong Kong, Macao, or Taiwan."

Article 30. For quota-controlled machinery and electronic products, their import with financial assistance extended by foreign governments or international organizations shall be handled according to Article 12 of these procedures.

Article 31. All machinery and electronic goods given to China as gifts during economic and trade contacts, or shipped back by China's foreign organs or construction sites overseas, are regarded as ordinary imports which shall be processed according to these procedures.

Article 32. The State Commission for Promoting Economic Relations and Trade (or the State Office in Charge of Import and Export of Machinery and Electronics Products) is responsible for interpreting these procedures and organizing their implementation.

Article 33. If provisions promulgated in the past are inconsistent with these procedures, these procedures shall prevail. These procedures go into effect on 1 January 1994.

Promulgated by the State Economic and Trade Commission and the Ministry of Foreign Trade and Economic Cooperation on 7 October 1993.

### State Opens First Club for Overseas Businessmen

OW2310023593 Beijing XINHUA in English 0212  
GMT 23 Oct 93

[Text] Guangzhou, October 23 (XINHUA)—Guangdong business and recreation center for overseas business people, the country's first club of its kind, has been flourishing since it opened in February—and foreign investors affectionately call it "our cosy home".

Located in an 18-storey building with a combined floor space of 23,000 square meters, the center includes commercial business, recreation, convalescent, body-building and shopping facilities.

Due to its first-class service and beautiful environment, foreign investors have found it an ideal place for ease and comfort and some also bring their families to spend weekends.

Foreign-funded companies also like to use the center for ceremonies to launch a business or to mark an anniversary.

For overseas business people who have long left home to pursue business success in China, the center not only serves as a paradise for relaxation but also provides valuable opportunities for contact with their Chinese counterparts.

Many government officials have come to the center to meet overseas business people and dialogue between them has greatly promoted mutual understanding and cooperation.

The center has also attracted many Chinese foreign trade units and companies to hold consultancy activities, lectures, press conferences and trade talks.

### State Economic Bulletin for Jan-Sep Period

OW2510061393 Beijing XINHUA Domestic Service in  
Chinese 0755 GMT 19 Oct 93

[By reporter Zhang Jinsheng (1728 6930 0524)]

[Text] Beijing, 19 Oct (XINHUA)—A bulletin released by the State Statistical Bureau today on the economic situation during the first three quarters of this year shows: Overall, our country's current economic situation is favorable, with the national economy continuing to grow rapidly and new progress being made in reform and opening up. As in 1992, our national economy is largely expected to grow at a rather rapid pace this year.

Ye Zhen and Qiu Xiaohua, newly appointed spokespersons of the State Statistical Bureau, met with Chinese and foreign reporters at their first news briefing and answered questions raised by them.

According to the preliminary statistics, our country's gross domestic product totaled 2,006.8 billion yuan during the first three quarters of this year. In terms of comparable prices, this figure represents an increase of 13.3 percent over the same period of last year. New progress was made in all areas of economic construction.

Agricultural production expanded steadily. Grain and cooking oil production was better than expected, with total output projected to largely equal last year's level. Production in animal husbandry and fishery also increased steadily. During the first three quarters, more than 23 million tonnes of meat was produced, up 9.5 percent over the same period of last year. However, cotton and sugar production is expected to be smaller than last year's output because of a reduction in acreage sown to these crops and various disasters.

Since the beginning of the third quarter, the growth in industrial production has declined slightly but has continued its fairly rapid speed. Since reaching its highest level in June, the growth in industrial production at and above the township level across the country has declined on a monthly basis. The growth rate during the third quarter was 22.6 percent. The September growth rate was 19.1 percent, down 11.1 percent from June. During the first three quarters, industrial production grew 24.1 percent over the same period of last year. Sales volume generally kept pace with production, reaching 94.48 percent of the latter. Economic returns were better than those in the past few years.

Markets turned stable although they remained brisk. Since the beginning of the third quarter, residents have bought fewer consumer goods in anticipation of inflation. Sales of



imported home electrical appliances and gold jewelry have turned from brisk to steady, leading to a decline in prices. Total retail sales volume during the first three quarters was 968.7 billion yuan, an increase of 22.4 percent over the same period of last year or 9.3 percent on an inflation-adjusted basis.

New progress was made in foreign trade. According to customs statistics, total export volume during the first three quarters was \$61.25 billion, up 6.6 percent from the same period of last year, whereas total import volume amounted to \$68.23 billion, an increase of 29.9 percent. Basically, the state's foreign exchange reserves in cash stood at the same level as at the beginning of this year. Direct foreign investment multiplied. The number of overseas tourists continued to grow.

Both urban and rural residents continued to earn higher incomes. During the first three quarters, the income used by urban residents for living expenses was 1,710 yuan, an increase of 29 percent over the same period of last year, or 12 percent on an inflation-adjusted basis. Per capita income in cash was over 630 yuan for rural residents, an increase of approximately 17 percent or 5 percent on an inflation-adjusted basis.

Statistics in the bulletin indicate the following major problems in current economic life: 1. Investment in fixed assets continues to register excessive growth. During the first three quarters, state-owned units invested 401.5 billion yuan, representing an increase as high as 66.4 percent. 2. Commodity prices have increased substantially. Because of the twin effects of demand and costs, retail prices increased an average 12 percent during the first three quarters. Residents experienced a 14-percent increase in their cost of living, with those in 35 large and medium cities registering 18.9 percent. 3. Enterprises generally suffer fund shortages in production and management. Rapid economic growth has increased the demand for funds, leading to sluggish sales and mounting stockpiles among some less competitive enterprises and a higher default rate among enterprises. 4. Production conditions in the agricultural sector have failed to improve significantly as a result of declining input. Peasants' incomes have increased slowly, resulting in a widening income gap between urban and rural areas.

In response to questions raised by Chinese and foreign reporters, one of the spokespersons offered an analysis of the causes of price increases registered since the beginning of this year. He said: The following are the main reasons for continuing price hikes: The "aftereffects" on prices of expanded money supply as a result of rapid economic growth have yet to be eradicated. The ever-increasing prices of capital goods have raised the production costs for consumer goods. The price adjustment undertaken by the state to rationalize grain prices and water, electricity, coal, and gas rates has raised the general price level. Because consumers have developed diverse tastes, sophisticated consumer tastes have had some effects on the prices of high-grade commodities. The upward adjustment of renminbi exchange rates has driven up the prices of imported

goods. The spokesman predicted: Given the emerging balance between supply and demand and the falling prices of capital goods, commodity price increases are expected to slow in the future.

### Report on First Three Quarters Trade Volume

OW2510061893 Beijing Central Television Program  
One Network in Mandarin 2300 GMT 19 Oct 93

[Announcer-read report from the "News" program]

[Text] According to customs statistics, China's exports totaled \$61.25 billion in the first three quarters of this year, up 6.6 percent over the same period last year; and imports, \$68.23 billion, up 29.9 percent. In comparison to the amount at the beginning of 1993, the balance of China's foreign currencies reserves has remained basically unchanged, and direct foreign investment has doubled.

### Economist on 'Erroneous' Views of Market Economy

HK2410013093 Beijing ZHONGGUO AINWEN SHI  
in Chinese 0947 GMT 13 Oct 93

[By staff reporter Xiao Rui (5618 3843)]

[Text] Young economist Dr. Fan Hengshan said in a recent interview with this reporter that a false and nonstandardized "market economy" could be worse than a rigid planned economy. China started its journey of building the market economy when it was not fully theoretically prepared, and while lacking experience in practice. Such a climate is liable to lead to behavioral distortion.

This economist believes that at present there are 10 erroneous areas in some people's thinking and behavior toward the market economy:

The first erroneous area is the misunderstanding that the market economy is one of speculation, that is, of taking advantage of loopholes and price differences to conduct forcible seizure and crafty acquisition. The fact that many loopholes in the existing structure have enabled some people to become millionaires overnight has magnified people's understanding of this kind.

In actual fact, the market economy is a genuine "substantial economy," and is called a production-type economy; the genuinely rich should be those who have exerted efforts in the production arena and become wealthy by improving labor productivity.

The second erroneous area is the misunderstanding that to pursue the market economy is to engage in cheating, deception, entrapping, telling lies, and reaping a profit in every deal. This being the case, some people unscrupulously cheat, provide false information in futures transactions and the trading of securities, turn out false, fake and inferior products in production activity, and do not care about reputation in economic ties...

The market economy is a typical reputation-based economy, and all economic behavior should be based on



strict legal standards and contract relationships with distinct responsibilities, rights and interests. Units or individuals losing their reputation and engaging in fraud will never escape legal sanctions and the fate of bankruptcy in the end.

The third erroneous area is the misunderstanding that pursuing the market economy simply means initiating companies and building markets. Statistics show that the number of companies in various categories is 1 million, twice the number in 1988.

The market economy is the economic relations comprising dynamic enterprises, a competitive market and a flexible indirect regulation and control system, and by no means can it be built by running a few companies or a few markets by administrative means.

The fourth erroneous area is the misunderstanding that developing the market economy simply means inviting investment and introducing foreign funds. Some localities and units stake everything in developing the market economy and converting the operational mechanism on inviting investment and introducing foreign funds. They totally neglect the state-owned economy, which is the main body, and vie for inviting investment and introducing foreign funds "with preferential policies" without discrimination. Consequently, large amounts of state-owned assets are lost; at the same time, foreign businessmen strengthen their bargaining power, with the surfacing of numerous fake foreign businessmen.

The focus of building the market economy should be placed on genuinely reinvigorating the main body in the economy, while the focus of "inviting foreign investment and introducing foreign funds" and opening up to the outside world should be placed on building a mechanism and structure corresponding to mature market economic relations.

The fifth erroneous area is the misunderstanding that pursuing the market economy will inevitably lead to polarization. Polarization is the internal law governing the modern market economy; "allowing some people to get rich first" means precisely widening the gap between the rich and the poor. This being the case, some people are working hard to build "nobility areas," run entertainment centers for the rich, and initiate "schools for the nobility."

The market economy pursues high efficiency; at the same time, equality and fairness are an important part of definition of the market economy. Under the condition of public ownership, the goal of the market economy is to realize the common prosperity of all the people.

The sixth erroneous area is the misunderstanding that in pursuing the market economy it is unnecessary to pay attention to social ethics, etiquette and atmosphere. Consequently, we find the surfacing of such strange phenomena as that when a drowning person was crying for help, people on shore were arguing about the reward for saving his life.

In fact, the market economy does not by any means spell deception; mutual help and benefit in human relations and cooperation between the administrator and those under him on an equal basis should be an important content of the socialist market economy.

The seventh erroneous area is the misunderstanding that to pursue the market economy the pushing of private ownership is inevitable. Some people have the wrong idea that to pursue the market economy, it is imperative to establish one-to-one [yi dui yi 0001 1417 0001] typical private ownership of property, and that reform will advance toward privatization sooner or later.

In the course of building the market economy, it is imperative to auction those enterprises which the state has no need or the energy to take charge of, or which have suffered from deficits, with their assets failing to cover their debts for a long time, while transferring their property rights to non-state-owned units, including individuals. However, the market economy does not reject all forms of public ownership; to have a clear definition of property rights does not mean to pursue one-to-one private ownership.

The eighth erroneous area is the misunderstanding that administration and regulations can be spared in the pursuit of the market economy, and that people can "do whatever they please." Consequently, some individual households ask sky-high prices while calling this practice by the fine-sounding name of "market price," and the production and peddling of fake products are common occurrences, being quite rife and rampant, despite repeated bans.

The market economy rejects arbitrary direct administrative intervention, but not administration and regulations. A market economy operating satisfactorily is one with control over general volume, legal restrictions, and standardized institutions.

The ninth erroneous area is the misunderstanding that the market economy inevitably requires each acting in his own way, and the forming of an "economy of many duchies."

The market economy calls for giving full play to the enthusiasm of various subjective aspects of economic interests, including local governments; however, some people misunderstand that the autonomy and interest requirements brought about by the market economy will inevitably call for each acting in his own way, and seek the rationality of the "economy of many duchies" from the characteristics of Western administrative structure.

In actual fact, each acting in his own way, regional blockades, and division of the market have nothing in common with the market economy.

The tenth erroneous area is the misunderstanding that the market economy can be built overnight, and be easily achieved. Some people believe that the reform of building the new structure is very simple. When we have just decided the goal of building the socialist market economic

structure, some places believe themselves to have initially built the new economic structure.

True, we may shorten the time needed to advance toward a modern market economy by utilizing successful international experiences. However, the gap is still wide for China to realize the new structure, and the tasks for reform remain heavy.

Dr. Fan Hengshan indicated with anxiety that the aforesaid erroneous areas would lead to either a halt in reform or its distortion; consequently, the new structure would never be completed, but bring about economic confusion and grave social problems. This being the case, those erroneous areas must be corrected to prevent a distortion of the market economic structure.

### Industrial Development in 1990's Examined

HK2210032093 Beijing JINGJI YANJIU in Chinese No. 7, 20 Jul 93 pp 15-19

[By Zhou Shulian (0719 0647 5571) and Guo Kesha (6753 0344 5446) of the Industrial Economics Institute of the Chinese Academy of Social Sciences; edited by Li Mu (4509 2606): "Prospects and Countermeasures for China's Industrial Development in the 1990's"]

[Text] With the conclusion of three years of control and rectification, and the start of a new round of development, China's economic growth rate rose again swiftly and precipitously. In 1992 the gross domestic product (GDP) increased by 12.8 percent and import and export increased by 26.4 percent and 18.2 percent, respectively. Actually, high-speed economic growth was pushed by exceptionally high-speed industrial growth. In 1992, the increased value of agriculture and tertiary industry increased by only 3.7 percent and 9.2 percent, respectively, and the growth rate of industrial increased value was high at 20.8 percent, reaching an all-time high since reform and opening-up, with a 66.2 percent contribution to the growth of GDP, and accounting for a 42.3 percent increase in GDP. In exports, the export of industrial manufactured goods increased by 22.1 percent, with a 94.1 percent contribution to the total volume of exports, and accounting for an 80 percent increase in total export volume. Such a trend still continued after the first quarter of 1993. It indicates that China's industrial development has again entered a new period that raises our concern.

### I. A Key Problem to Further Industrial Development

The establishment of the theory of a socialist market economy will greatly promote the progress of reform and opening-up and economic development. This is a large background against further industrial development, and is also a most important favorable condition for industrial development in the coming period. High-speed transformation from a planned economy system to a market economy system will further arouse the vitality and motive force of the economy as a whole. The greatest restraining factor is that the development process is still restrained by structural imbalances and low performance. Solving the latter depends on the former, i.e., on the progress of

structural reform, but the reform process cannot be completed in one attempt, and the problems of structure and performance require immediate improvement. In particular, the bottleneck restraint and low performance have a more serious impact on industry. Therefore, a key problem with which further industrial development is faced in the 1990's is how to handle well the relationship between speed and structure and between speed and performance.

The first restraint of high-speed industrial growth is bottleneck restraint. Such restraint comes from two aspects: First, external industrial restraint, mainly expressed in the contradictions between the growth of light industry and that of agriculture, and the contradictions between the growth of industry as a whole and that of freight transport. Judged from the former, the ratio of output (constant price output) of agriculture to that of light industry with farm produce as raw materials was reduced to 0.55 (1.12 in 1978), and the structural contradictions between the two stood out sharply. During the period of control and rectification, agricultural growth rose again to some extent, but the growth rate of light industry was forced down, gradually easing up their contradictions. But in fact the agricultural foundation was not obviously strengthened, and there was not a big rise in the technological level and labor productivity of agricultural production. Once too rapid a growth of light industry appeared, contradictions would show up again. Judged from the latter, the elasticity coefficient of the growth of freight transport turnover volume and the growth of total industrial output from 1979 to 1983 was 0.90 on an average. It went down to 0.63 on an average from 1984 to 1988, and it was only 0.35 in 1988 (1.73 and 0.69, respectively, in 1978 and 1983), which made the bottleneck restraint of freight transport evolve to quite a serious situation. A few years ago the industrial growth rate went down, and the restraint was somewhat reduced (the elasticity coefficient in 1991 rose again to 0.47), but the problems were not really solved. The elasticity coefficient of the growth of freight transport and the growth of industry from 1989 to 1991 was only 0.54 on average, even lower than that of the previous period. If industry grows quickly, the bottleneck restraint of freight transport will inevitably be aggravated.

Second, the restraint within industry, mainly expressed in the contradictions between industry as a whole and the energy and power industries. These two contradictions are both old structural problems within industry. There was a turn for the better in the former restraint in the early 1980's, but it became serious again after 1984, and the constant price output of raw and processed materials industry and processing industry was reduced from 0.50 during 1979-1983 to 0.41 during 1984-1988, and it was only 0.36 in 1988, resulting in enormous structural conflicts between the two, the problem of the latter restraint had never been truly improved. Whenever industrial growth tended to be somewhat faster, contradictions stood out sharply. For example, the elasticity coefficient of the growth of energy and power production and the growth of total industrial output in 1988 was only 0.24 and 0.46, respectively, and the process of industrial growth was seriously restrained by energy and power. During the three

years of control and rectification, the pace of the processing industry and even that of industry as a whole slowed, these problems were covered up, and in fact the progress of restructuring was quite slow. The elasticity coefficient of the growth of energy and power and the growth of industry during 1989-1991 was only 0.30 and 0.74, respectively, on an average. The bottleneck restraint remained. At present, it is still difficult for energy, power, and raw and processed materials to bear the pressure of high-speed growth of industry, especially that of processing industry. On the other hand, the materials consumption proportion and energy consumption proportion of industrial production are not decreasing but increasing, which results in the fact that the bottleneck restraint has not been weakened, but has become intensified.

Viewed from the basic situation of 1992, the growth rate of industrial increased value was 19 percentage points higher than that of total volume of energy production, 10.5 percentage points higher than that of electric energy production, and 17 percentage points higher than that of freight transport turnover volume. The elasticity coefficient of the latter and the former was only 0.09, 0.50, and 0.18, respectively (the elasticity coefficient was even lower if calculated by the growth rate of total industrial output). This indicates that the bottleneck restraint, which has always existed, will be more serious in 1993. Moreover, the super high-speed industrial growth rate has already caused tensions in raw and processed materials (marked increase in raw and processed materials imports), which will further bring heavy pressure to bear too on the supply of agricultural and sideline products.

The second restraint of high-speed industrial growth is performance restraint. The performance of industrial growth is expressed in the three aspects of growth efficiency, structural relations, and the quality of products. Growth efficiency can be measured by the growth rate and the contribution rate of total factor productivity (TFP). The industrial growth efficiency since reform has increased by a big margin, but the growth efficiency during later period has gone down to some extent. According to our calculations, the growth rate of TFP of independent accounting industry was reduced from 3.36 percent during 1981-1985 to 1.33 percent during 1986-1990, and the contribution rate of TFP was reduced from 35.4 percent to 17.6 percent. The growth rate and contribution rate of TFP of state-owned industry was reduced from 1.92 percent and 33.2 percent respectively during 1979-1983, to 1.90 percent and 24.2 percent, respectively, during 1984-1988. The decline in industrial growth efficiency indicates that equal quantity of industrial growth requires larger input. Viewed from structural relations, the intensification of the extent of structural imbalance has both aggravated the shortage of some industrial products and increased the stock of unsalable goods, thereby leading to a decline in the efficiency of industrial growth. Viewed from the quality of products, too rapid industrial growth from 1984 to 1988 caused fluctuation and decline in the quality of industrial products. In recent years, as the internal mechanism for improving quality was interfered with by the delay effect of the low quality cycle and the twisted state of industrial

structure, the quality level of industrial products was not much improved, which greatly impeded the effective growth of industry and affected the rise of growth efficiency and the coordination of structural relations. It can be said that the present performance problem remains an important factor of restraining high-speed industrial growth. On the one hand, it will be difficult for high-speed industrial growth to be sustained due to influences of growth efficiency, structural relations, and the quality of products. On the other hand, high-speed industrial growth will bring excessive tension on the environment and bring impact on the normal process of efficiency increase, structural coordination, and quality improvement.

After 1992, industrial economic performance was slightly improved (the composite index rose from 84 in 1991 to 89 in 1992), but it was achieved under the circumstances of sustained slides in performance, and was a quick performance rebound that cannot be sustained. The overall performance level remains quite low (the extent of losses of state-owned enterprises is still quite large), and in particular the phenomenon of inferior quality of products is still very serious. Under such circumstances, high-speed industrial growth is supported by large increases in input, and the extent of output that accords with social demand is low and even declines (excessive funds occupancy by products and finished products is one of the expressions), which inevitably leads to demand expansion and overheated economy (in fact such a posture has already been revealed), and may possibly give rise to a new round of inflation and economic fluctuation. Moreover, such economic environment would impede the progress of structural reform and the transformation of enterprise operational mechanism.

Therefore, only when the rate of industrial growth is readjusted to an appropriate level can it be beneficial to the relaxation of bottleneck restraints, the coordination of industrial structure, and be beneficial to speeding up technological progress to reduce materials and energy consumption, and to raise the efficiency of industrial growth and the quality level of products, thereby promoting a stable, coordinated, and sustained development of industry. We believe that a strategic train of thought that can be considered in industrial development in the 1990's is: First, in the coming three years (1993-1995) industrial growth should only maintain a moderately high rate. For example, the annual average growth rate of industrial increased value is controlled at about 10 percent (equivalent to the growth rate of the 1980's). Second, take advantage of the opportune time of reform and opening up and a given space left by growth to speed up, under the circumstances of the transformation of the enterprise operational mechanism, the readjustment and escalation of industrial structure and the technological transformation and renovation of enterprises. Third, in the coming five years, make use of the foundation laid in the previous three years to promote the optimized development and high-speed development of industry, and heighten the level of industrial development by a big margin.

## II. The Strengthening and Impact of the Three Major Trends in Industrial Development

With the quickening of the pace of reform and opening-up, the three major trends that appeared in industrial development in the 1980's, that is, the trends of multiple subjects of development, market motivation development, and export-oriented mode of development will inevitably be strengthened, which will produce a new impact on the course of industrial development in the 1990's, especially on the relationship between speed and structure and between speed and performance.

1. Viewed from the trend of multiple subjects of industrial development, the growth rate of nonstate-owned industry will remain faster than that of state-owned industry.

The rapid development of multiple systems of ownership and the continuous rise in the role of nonstate-owned industry are important characteristics of changes in mechanism of industrial development since reform. In the growth of total industrial output value, before reform (1953-78) the contribution rate of state-owned industry reached 79.6 percent, the contribution rate of collective industry was 19.9 percent, and individual industry and other types of industry were transformed completely after 1957. This shows the situation in which the state-owned industry supported the growth of industry as a whole. From 1979, the year reform started, to 1990, the contribution rate of state-owned industry to industrial growth was reduced to 48.1 percent, a decrease by 31.5 percentage points, the contribution rate of collective industry rose to 45.5 percent, an increase of 25.6 percentage points, and the contribution rate of individual industry and other types of industries also reached 6.5 percent and 4.3 percent respectively. This shows that the growth rate of nonstate-owned industry was higher than that of state-owned industry. Thus, the role played by the former to industrial growth has gradually exceeded that played by the latter.

The above trend continued to develop after the 1990's. In 1991, the total output value of state-owned industry increased by 8.6 percent, and the growth rate of collective industry, individual industry, and other types of industry was at 17.9 percent, 24.0 percent, and 50.1 percent respectively. In 1992, the growth rate of collective industry rose to 28.5 percent, that of "foreign invested" enterprises increased by 48.8 percent, and the increments of increased value of nonstate-owned industry reached 61 percent of the increased value of newly increased industries throughout China.

According to analysis of the statistical data since reform, the feature of nonstate-owned industry is: Its growth rate rose very rapidly during the period of economic expansion, but declined very slowly during the period of economic contraction. This feature will make its rate of contribution to industrial growth and its proportion in industry continue to rise. Such a trend can speed up the progress of industrialization, and promote the development of a market economy, and at the same time is favorable to the further development of competition between industries of

various kinds of ownership, thereby heightening the industrial growth efficiency. However, this may possibly bring about two problems: First, as nonstate-owned industry is mostly concentrated on processing industry, its large proportion and rapid growth will easily lead to the speed expansion of processing industry, and aggravate the problems of industrial structure and bottleneck restraint. Second, nonstate-owned industry has a very powerful expansion nature, and under the circumstances of rapid increase in its role, it will easily lead to an excessive rate of industrial growth. Thus, with the strengthening of the trend of multiple subjects of industrial development, we should guide nonstate-owned industry to develop toward basic industries and infrastructure, and appropriately contain the tendency of speed expansion of nonstate-owned industry, and promote a speedy rise in its levels of production technology and the quality of products.

2. Viewed from the trend of market motivation industrial development, the market mechanism will continue stepping up its regulatory role of industrial production and enterprise decisionmaking.

So-called market motivation industrial development refers to the fact that with reform of the planned system and enterprise system, industrial development is increasingly changed from planned promotion to market promotion, and industrial enterprises are increasingly changed from fulfilling the task of output value to the pursuit of operation income. Since reform, the mandatory plans of products and output issued by the state to industrial enterprises have been constantly reduced. The proportion of guiding plans and market regulation has continuously increased correspondingly. By 1988, the industrial production under mandatory plans management was reduced to 17 percent of total industrial output value, and the goods and materials distributed were reduced to 27 kinds (in 1979 the goods and materials monopolized by the state were 256 kinds). The portion of goods and materials under planned control was also reduced from 80 percent in the past to 20-30 percent. Among the four major kinds of industrial raw and processed materials, the distribution proportion of steel products and coal was lower than 50 percent, and that of timber and cement were both under 30 percent. So, most of the industrial products (including most of the means of production) were changed to market sales with prices set by the market, and the proportion of those whose prices set by the state was reduced to about 25 percent. By 1992, in the total volume of commodity retail sales and the total volume of sales of the means of production, the portion of market regulation rose to 90 percent and 70 percent respectively. This made the input and output of industrial enterprises even more dependent on the market. Moreover, the general popularization of the contract-based system among enterprises and the development of experiments on the joint stock system among a number of enterprises have constantly strengthened the motive of industrial enterprises to pursue maximum profits, which has also pushed them to operate and make decisions more according to market demand and price changes. Therefore,



industrial development is increasingly affected by the regulation of market mechanism and the market operational posture.

With the establishment of the goal of a market economic system and the speeding up of corresponding structural reform, planning, goods and materials, and prices control will be further released, and the output, structure, and prices of industrial products, along with the profits of enterprises, will be all the more directly decided by the market. Such a trend is of great importance to bringing supply and demand closer, strengthening the flexibility of industrial structural changes, and raising the extent of conformity of industrial output with social demand. However, on the one hand, the improvement in the market system and market mechanism requires a process, and as there exists market separation and market blockade, the transparency of supply and demand relations is low, and price signals are inaccurate. On the other hand, in the 1990's consumption demand both develops toward high quality, high grade, and diversity, and will also require large changes in the demand level and structure. Under such circumstances, if there appear large fluctuations in market demand, they will lead to large fluctuations in industrial growth. Therefore, with the strengthening of the trend of market motivation industrial development, we should step up the forecast and guidance of the industrial products market, periodically analyze market demand and price developments, and push enterprises to raise the quality of products and increase new products and new varieties, thereby weakening industrial growth rate and structural fluctuations.

3. Viewed from the trend of export-oriented industrial development, the dependency of industrial production on import and export and on overseas technology and funds will continue to increase.

Since reform and opening-up, the swift development of China's foreign economic relations has brought great changes to the way of industrial development. On the one hand, industrial production requires constantly acquiring from abroad advanced technological equipment and raw and processed materials, and from 1980 to 1991 the import volume of machines and equipment increased at an annual average rate of 13 percent. The import proportion of raw and processed materials and intermediate products dropped gradually, but in recent years they still accounted for about one-third of the total import volume. On the other hand, the export of manufactured goods increased by a big margin, and occupied 77.5 percent of commodities export in 1991, and its proportion of industrial increased value rose from 6.8 percent in 1980 to 36.7 percent in 1991. Moreover, "foreign invested" enterprises in the industrial field have developed rapidly, and have also greatly strengthened foreign economic relations and the export-oriented trend in industrial development. In 1992, apart from further high-speed growth of the imports and exports of industrial products, the proportion of using foreign investments and importing technology in industrial production also increased by a big margin. It is

expected that there will be larger scale development in this respect throughout the 1990's.

The constant strengthening of the trend of export-oriented industrial development has played an important role in raising the industrial development level and competitive power overseas. However, with the further rise of overseas dependency on industrial development, there will be a greater impact through international market changes on the process of industrial development, and new operational mechanisms will put forward new requirements for the speed, structure, and performance of industrial growth. First, if the industrial growth rate is too high, but exports cannot grow at corresponding speeds and bring about a decline in the export elasticity coefficient (for example, the average value of export elasticity coefficient of manufactured goods in 1992 dropped by 0.76 compared with that of the 1981-1991 period due to the above reason) would increase pressure on the import and export relations of industrial products. Second, if the industrial growth structure is not coordinated and leads to an increase in the import proportion of raw and processed materials and intermediate products, we cannot but reduce the import proportion of advanced machinery and equipment, thus affecting the speed of industrial technological renovation and transformation, and the growth of the production and export of technology intensive products. Third, if the industrial growth performance and the quality and grades of products cannot go up, and the phenomenon of large areas of high-loss export continues, there is no way of raising the competitive coefficient of manufactured goods export, it will be difficult to improve the elementary condition of export structure, export capacity will always be greatly restricted, and it will ever seriously affect the development process of industry as a whole. Therefore, with the strengthening of the trend of export-oriented industrial development, it is of all the more profound significance to handling well the relations between speed and structure and between speed and performance.

### III. Countermeasures Train of Thought for Promoting Optimized Industrial Development

Based on analysis of the crucial problems and the basic trends of industrial development in the 1990's, macroeconomically we should further carry out policies of promoting optimized industrial development. The most important policies are:

First, combine the policy of moderate industrial growth with that of industrial structure and that of technological progress.

Practice has indicated: An excessive rate of industrial growth will lead to the intensification of structural imbalance and the fluctuation of technological levels, too low a rate of growth is also unfavorable to industrial restructuring and technological renovation and transformation, and only moderate growth can be integrated with structural coordination and technological progress. The internal relations of these three aspects require combining the three major policies and carry them out simultaneously. In light of the characteristics that industry as a whole is subject to



excessive expansion in rate, and that its basic departments and technological level have great impact on further industrial development, we should in the coming few years exercise moderate control over the total volume expansion of industry, and carry out more preferential measures for structural coordination and technological progress, and regulate and control them by corresponding policies of financial taxation and credit interest rate. The emphasis of preferential policies of financial taxation and credit interest rate rests on promoting the development of basic industries and infrastructure and offering preferential credit interest rates for investments on enterprise technological renovation and transformation. If bottleneck restraint can be obviously relaxed by 1995, and the technological and performance level of industrial production can be raised to a great extent, the total volume control in the coming five years can be appropriately released, and structural coordination and high level structural development can be linked together to enable industrialization to evolve from high level processing to technology intensive industry, thereby promoting an optimized development of industry as a whole.

Second, under the circumstances of strengthening the trend of export-oriented industrial development, promote the continuous rise of industrial competitive power overseas.

In export, we should continue promoting the rapid growth of the total export volume of manufactured goods, raising the export proportion of machinery and electronic products, especially that of technology intensive products, and increasing the added value volume and unit foreign exchange earnings volume of export products. In imports, we should gradually reduce the import proportion of industrial consumer goods and raw and processed materials, and raise the import proportion of advanced technology, machinery, and equipment. Within a given period of time after the resumption of GATT signatory status, China's import scale of industrial products will inevitably expand by a big margin, which will create huge pressure on the growth of exports, and industrial enterprises will also face severe challenges. Therefore, the major task in the past few years was to raise the quality of export products so as to strengthen the capacity of foreign exchange earnings, constantly increase the technology intensive extent of export products, and make preparations for transformation to the point of view of competition overseas. If this process can be achieved, the major task in the coming years can be shifted to restructuring export so as to bring into play the export driving effect; that is, can be shifted to being gradually guided by the export of technology-intensive products to promote the development and export of high-tech products, so as to push industrial competitive power overseas to jump up onto a new stage. In other words, the stress in the previous period was to raise the competitive coefficient of the export of industrial products as a whole, and the emphasis in the coming period can be shifted to raising the competitive coefficient of the export of machinery and electronic products, especially that of machinery and equipment.

Third, promote economic structural reform, and create necessary structural conditions for optimized industrial development.

The key here lies in two aspects: First, speed up the improvement in the market system and market mechanism. In the 1990's, we must eliminate as soon as possible the situation of regional market separation and blockade, systematize the market system and rationalize market mechanism before supply and demand, prices, and competition can play effective regulatory functions over enterprise behavior, thus creating a market environment for promoting optimized industrial development. Second, speed up the transformation of operational mechanism of state-owned enterprises. The operational mechanism of state-owned enterprises is an important microeconomic basis that has a bearing on whether or not industry can be optimally developed in the 1990's. Judged from the present situation, it is difficult to truly separate the umbilical cord relations between the state and enterprises simply by making an issue of improving the contract-based system, and it is not easy to reverse the short-term behavior of state-owned enterprises. To effectively promote the transformation of enterprise operational mechanism, a fundamental way out is to copy as soon as possible the practice of the joint stock system of large enterprises. If we further carry out in the coming years the joint stock system in basic industries and infrastructure sectors, in high-tech industries and newly rising industrial sectors, in old industrial bases that require immediate technological transformation and renovation, and in some other fields that are in bad need of development and are short of funds, we can integrate the transformation of enterprise operational mechanism with the coordination of industrial structure and the quickening of technological progress, which is favorable to promoting optimized industrial development by killing many birds with one stone.

### **Rural, Urban Income Differences 'Tend To Grow'**

*HK2210112793 Beijing ZHONGGUO XINWEN SHE in English 0917 GMT 22 Oct 93*

[Text] Beijing, October 22 (CNS)—Despite the rapid growth of the economy in China, agriculture remains backward and the differences between the urban and rural areas tend to grow greater.

According to statistics, the annual per capita wages of workers and staff nationwide in 1992 was RMB 2,711 [renminbi] while for farmers it was RMB 784. Average consumption for city-dwellers increased by 14 percent over the previous year while that for farmers went up only seven percent.

Analysis shows that the income by city-dwellers was 2.1 times greater than that of country-dwellers in 1991 and this grew to 2.5 times in 1992. Taking into consideration various kinds of welfare allowances for city-dwellers and the extra burdens imposed on farmers, the actual income gap between the two is in the order of 4 to 1.

Because of this income gap, while nine years' compulsory education is normal in the city, only 70 percent of country

children have a primary education. Some 99.9 percent of city children go to school while in country areas, 2.7 million children of school age do not attend school and 4.62 million country children drop out of school since they cannot pay the school fees every year.

The gap between the cities and the countryside can also be seen in medical services. In 1992 there were 2.744 million hospital beds in the country, 1.421 million of which were in the countryside, accounting for 52 percent of the total while dwellers in rural areas numbered 4.5 times city-dwellers. This has led to a far greater disease and death rate in the country than in the city.

In order to change the growing gap between the rural and city areas, living conditions, education, employment and medical and social security must be reformed and improved.

### Regulations To Halt Illicit Fee Collection

OW2410005393 Beijing XINHUA in English 0030  
GMT 24 Oct 93

[Text] Beijing, October 24 (XINHUA)—The Chinese Communist Party Central Committee and the State Council today jointly issued a set of new regulations to halt the malpractice of collecting illicit fees.

The regulations were issued as part of the current anti-corruption campaign.

The regulations state that emphasis will be placed on halting the collection of illicit fees by government offices and their subsidiaries, which it terms an abuse of power.

All localities and departments must regard this move as a step in combating corruption, improving party style and social values, redoubling efforts to build a clean government, and bringing closer the relations between the party and the people.

They must also regard the move as a major part of the current anti-corruption struggle and implement the measures of macro-economic control taken by the central authorities, the regulations note.

In accordance with the regulations, the State Council has decided that the Finance Ministry, the State Planning Commission and the State Economic and Trade Commission are to be in charge of the campaign to curb illicit fee-charging nationwide.

Officials from the above three departments, the Ministry of Agriculture and the Ministry of Supervision will hold joint meetings to map out specific arrangements for the campaign.

Under the regulations, the ban covers unwarranted fees collected by governments at all levels, judicial departments, law-enforcement departments and economic departments, as well as by their subsidiaries.

The regulations also mandate the competent authorities to screen fees collected by schools, hospitals and mass organizations.

The move will focus on public security departments, judicial departments, civil affairs bureaus, industrial and commercial administrations, urban construction departments, land administrations, labor departments, personnel departments, railways administrations, transportation departments, power companies, posts and telecommunications bureaus, financial institutions and insurance companies.

The regulations mandate governments at all levels and relevant departments to check what these bodies charge, the range of fee collection, fee rates, and the use of the fees collected.

The State Council and provincial governments will publish the results of their investigations, the regulations state.

In addition, the regulations say: "All organizations and individuals have the right to report to finance and planning departments on the collection of fees they deem to be in violation of state rules."

### Ministries Revise Regulations on Peasants' Burden

HK2510034393 Beijing RENMIN RIBAO in Chinese  
19 Oct 93 p 2

[Report by Xu Kunlin (6079 2492 2651): "The State Planning Commission, the Finance Ministry, and the Agriculture Ministry Issue a Circular on Revising Nine Regulations Concerning the Peasants' Burden and Charges"]

[Text] The State Planning Commission, the Finance Ministry, and the Agriculture Ministry issued a circular a few days ago proposing opinions on revising nine kinds of charges which constitute a burden on the peasants and setting clear criteria for new charges.

In order to earnestly alleviate the peasants' burden, the circular of the State Planning Commission, the Finance Ministry, and the Agriculture Ministry revises the nine kinds of charges originally drafted by relevant departments as follows:

First, marriage registration fees. According to the original regulations, the cost of a marriage certificate (a certificate proving marital status and husband-wife relationship) is 9 yuan. Now a concise new certificate costing 2 yuan will be introduced for citizens to choose at their discretion.

Second, highway maintenance charges. Charges imposed on farm tractors will be reduced by from 20 to 50 percent.

Third, land management charges (management charges for land requisition). [sentence as published] The provision on turning over the charges level by level will be scrapped.

Fourth, highway transportation management charges. The 1 percent highway transportation management charges imposed on income derived from rural transport business using tractors and farm trucks will be cut by 30 percent, that is, the maximum should not exceed 0.7 percent of the income. Moreover, the portion turned over to each of the higher levels will be scrapped.

Fifth, management charges for country fairs. Peasants who sell their farm and sideline produce in the markets will be exempt from market management charges. The market management charges paid by individual industrial and commercial households engaged in trading farm and sideline produce in the markets at or below the township level shall not exceed 1 percent of their transactions.

Sixth, management charges for individual industrial and commercial households. The following supplementary provision is added: "First, individual industrial and commercial households engaged in operation in remote poverty-stricken areas shall be exempt from management charges. Second, management charges of 0.5 percent of turnover and 1 percent of labor income shall be imposed on individual industrial and commercial households engaged in purchasing, marketing, and labor services. Third, the 1 percent management charges imposed on industrial and commercial households by the State Industrial and Commercial Administration Bureau through the localities shall be scrapped."

Seventh, registration fees for individual industrial and commercial households. The following supplementary provision is added: "First, a rural resident below the township level applying for individual operation shall be charged 18 yuan for an application for registration to start operation, which is to be renewed every four years. Second, no temporary licenses shall be issued and no registration fees shall be imposed on individual industrial and commercial households engaged in business in remote poverty-stricken areas."

Eighth, radio management charges. The following supplementary provision is added: "First, the television relay stations run by the peasants with self-mustered funds shall be exempt from radio frequency charges. Second, frequency charges on fishermen using radios in their fishing shall be reduced or exemption shall be given provided their operation is examined by the price, finance, and peasants' burden supervisory management departments of the province, autonomous region, or municipality and approved by the provincial people's government. Third, the provision on localities imposing radio frequency charges and delivering them to the office of the State Radio Management Committee shall be scrapped."

Ninth, charges for giving birth in violation of the plans. The provision on imposing charges and delivering them to the higher authorities shall be scrapped.

The circular issued by the three ministries also points out: The documents mentioned in the above charges will continue to be effective, except the revised parts which should be implemented in light of the supplementary provisions. From the date of issue of the circular, the provision on temporary suspension of the nine charges promulgated during the early period of the screening of the peasants' burden will be removed.

### Official Urges Improvement of Agriculture

HK2210063893 Beijing RENMIN RIBAO in Chinese  
12 Oct 93 p 2

[Interview with Yang Yonzhe, deputy director of the State Council Research Office, by staff reporter Wu Changsheng (0702 2490 3932): "Boldly Carry Out Reform; Work Hard to Increase Income"; first two paragraphs are RENMIN RIBAO editor's note]

[Text] In the course of reducing irrational burdens on the peasants, working hard to increase their income is an important task involving the personal interests of the 900 million peasants. Some comrades vividly describe this as the "simultaneous use of addition and subtraction," saying that only in this way will the peasants smoothly embark on the road of moderate prosperity. We think this is very reasonable.

To enable all levels of cadres and relevant departments acquire a deeper understanding of the importance of increasing peasant income, and also to help everyone widen their ideas on increasing income, beginning today we will publish about 10 interviews asking some rural economic experts and leaders of the relevant departments to talk about this important issue from different angles.

"In the past, we frequently referred to the following two expressions on economic development: Developing the economy, and ensuring supply. On rural development, there are at least three expressions now: Developing the rural economy, stabilizing market supply, and increasing peasant income. Increasing income has been explicitly regarded as an important objective." Comrade Yang Yonzhe came straight to the point and changed "two" to "three," bringing the issue of increasing peasant income to the top of rural economic development policy.

There are only four characters in "increasing income," but it is quite difficult to make this come true. For example, in the three years from 1989 to 1991, peasant income increased by only 0.7 percent annually, despite good agricultural harvests, and peasants in many localities did not have any increase in their income, although there were increases in production. How should we proceed to increase income, after all?

Yang Yonzhe pointed out: Difficulties in increasing income lie in agriculture, and agriculture manifests itself mainly in grain and cotton. Problems are particularly prominent in major grain and cotton producing regions. Therefore major grain and cotton producing regions should be taken as key points in resolving the problem of increasing income. Efforts should be made in two aspects: One is improving agricultural policy, which serves as an external environment, mainly by increasing agricultural investment and reducing price disparities between industrial and agricultural products; the other is producing results from agricultural reform itself. The latter mainly involves making a success of "three major changes" and developing a highly efficient agriculture in different tiers.

In light of China's resource structural features, which are characterized by people being more important than cultivated lands, the first major change is developing land-conserving crop production and a fodder-saving type of animal husbandry and exploiting all agricultural resources to widen the sources of food. Land-conserving crop production refers to growing industrial crops like gourds, fruit, and vegetables, which need little land and much labor and produce high output value and good results. This will proceed under the prerequisite of improving per unit grain and cotton output, increasing total output, and ensuring state and civilian needs. In this way, farmland productivity will be improved. Since the mid-1980's, Fugou County in Henan Province has actively adopted the interplanting of cotton with wheat and carried out gourd production in space available. It has popularized new technology and developed winter vegetable growing. It has also grown a new type of apple on 120,000 mu of land. Now 400,000 mu of intercropped land in the county can give three yields. This has increased results by many times. Farmlands covered with plastic sheeting for agricultural use and trellised farmlands total almost 100,000 mu, with per mu income rising several thousand yuan to over 10,000 yuan. A fodder-saving type of animal husbandry refers to developing animal secondary production by means of straw and other sideline products on the basis of primary crop production, integrating agriculture with animal husbandry so that something which was previously worthless can be turned into animal husbandry products. Widening food sources by means of agricultural resources refers to exploiting and utilizing nonfarmland resources like wastelands, uncultivated water areas, barren mountains, shoals, and courtyards to develop crop planting or fish breeding. Income from small courtyards in many localities accounts for over one-third of their total income.

The essence of this change is fully displaying the strong points of labor resources, developing a labor-intensive, highly efficient agriculture, and increasing income by widening employment in the agricultural field.

The second major change is breaking away from the traditional single-crop agricultural structure to develop processing industries with agricultural and sideline products as their raw materials and developing transportation and marketing to link the primary, secondary, and tertiary industries and realize multiple value increments. As China has entered the middle period of industrialization, it absolutely has the conditions to widen the scope of agricultural composition by means of industrial civilization and industrial methods to transform an agriculture of a raw materials nature into an agriculture characterized by ready-made products. Regarding processing industries and circulation as the necessary links in agricultural production is a major change in the traditional agricultural concept. This change has improved agricultural benefits by a wide margin and provided adequate job opportunities for surplus rural laborers. In the transformation to a market economy, we must follow the order of trade, industry, and agriculture in forming an industrial chain. In other words, processing industries should develop in

accordance with market demand, and raw materials production should be arranged in accordance with the demands of processing industries. Furthermore, following the increase in agricultural products and processed products as well as the increase in their exchange, there is a need to actively encourage peasants to organize themselves to explore the circulation field, apart from continuing to bring into play original commercial organizations.

The third major change is providing guidance to the processing of agricultural products and to nonagricultural undertakings so that they will become comparatively centralized and develop in large groups. In this way, the development of township and town enterprises and the transfer of the rural population into nonagricultural undertakings will proceed simultaneously. After some laborers steadily separate themselves from farmland, scale agricultural operations will come into being. Of course, this is a long-term objective which requires a comparatively long development process.

Agriculture without a certain scale of results is not genuinely a highly efficient agriculture. The widespread implementation of the contract responsibility system on a household basis with remuneration linked to output has allowed China's agriculture to leap onto a higher step, but following the tremendous development of township and town enterprises, there is an increasingly prominent trend of taking concurrent jobs in some localities, where agriculture has become a "sideline occupation." This is not favorable to promoting technological progress in agriculture or to developing agricultural productive forces. Other peasant households engaged in a single operation have found it difficult to make a breakthrough because their operational scale is too small. What to do? Issue administrative orders to recover the land and merge the "scales?" No. We only hope that township and town enterprises can be rationally arranged and comparatively centralized so that they will integrate with the development of small towns and small market towns. We hope that a large number of rural laborers will transfer to nonagricultural undertakings and gradually separate themselves from farmlands. Under these circumstances, there will be practical possibilities and a solid foundation for expanding the agricultural operational scale, and a new leap will be made. Comparative centralization and development in large groups will also be beneficial to producing collective effects in nonagricultural undertakings. Not only should traditional agricultural regions take this step, other regions should also advance along this track. This is the only choice for China's industrialization and agricultural modernization. "Now this development trend has appeared in some coastal areas, but most regions do not have the conditions to carry out this reform yet. We should purposely provide guidance but must not rush headlong into mass action, because this is the result of economic development according to its own law and a process of gradual development. It is absolutely not something forced out of subjective will."

In conclusion, Yang Yongzhe stressed that the first two of the three major changes can produce results in the not too



distant future but that the third one needs to go through prolonged development before it can produce results. We will focus our work on the first two, guide the third one, combine short- and long-term objectives, increase production and income, and protect peasant initiative so that agriculture will flourish forever.

### **Commentary Discusses 'Emphasis' on Agriculture**

HK2210081493 Beijing CHINA DAILY in English  
22 Oct 93 p 4

[CHINA DAILY Commentary: "China's Economic Roots"]

[Text] The Party has again called for greater attention to agriculture as the basis of the national economy at a time when the country is moving full steam toward a socialist market system.

The Party Central Committee, at its National Conference on Rural Work held this week, stressed that agriculture and rural work should continue to be the Party and the government's top priority.

This emphasis is correct because one of the major continuing tasks in so populous a country as China is to provide enough food for its 1.1 billion mouths.

Party leader Jiang Zemin urged the deepening of rural reforms. He said agriculture should be given better guidance while greater care should be taken to set up a new rural operations and management system compatible with the socialist market economy.

This will be another major move by the central authorities to boost the performance of agriculture, which has been lagging behind the country's overall economic advance for years.

China's agricultural production expanded substantially in the 1980's thanks to the introduction of market-oriented reforms that unleashed the initiative of individual farming households. Not only has the country successfully met the basic food and clothing needs of its 1.1 billion people, it has gradually developed an ample supply of most agricultural products for both consumers and industries.

These achievements have been widely acknowledged by the world, as exemplified by the award to China's former Agricultural Minister He Kang of the 1993 World Food Prize early this week.

However, agriculture has hit an impasse since the late 1980's. While the output of major crops rises steadfastly,

farmers' income has failed to keep pace. The ratio of per capita revenue between rural residents and urban dwellers has widened from the 1:1.7 during the mid-1980's to 1:2.7 during the first three quarters this year.

And the fall in agriculture's comparative returns has dampened farmers' enthusiasm.

There are varied reasons. On the one hand, following the momentum released by rural restructuring during the 1980's, readjustments in strategies and management are urgently needed to give agriculture a new push.

On the other hand, some officials have failed to attach enough importance to agriculture and some have even sacrificed agricultural interests for the development of more lucrative businesses.

### **Reverse the Trend**

To reverse this dangerous trend, it is vitally important that governments at different levels increase investment in agriculture and take practical measures to protect farmers' interests.

The government can reap relatively quick returns by organizing specialized services for farming and encouraging the set-up of commercial links between farming, circulation, and industrial processing. In addition, the government should help expand farm products markets, foster a competitive banking system, and introduce better crop strains and advanced farming technology.

To reap long-term benefits, however, the government needs to take concrete actions to transfer surplus rural labour into nonagricultural sectors.

Rural areas in hinterland and remote parts of the country should take special measures to boost local nonagricultural industries in order to revitalize their economy and reduce the gap with relatively developed coastal regions. However, the development of these businesses should be coordinated with the process of rural urbanization to improve efficiency with minimum damage to the environment.

China feeds about 22 percent of the world's population with only 7 percent of the planet's arable land. This is a great responsibility and a tough challenge.

To improve its agricultural production will benefit not only the Chinese people, but also world peace and prosperity. Governments at all levels should always bear this in mind and do a better job of improving agricultural production.



### East Region

#### Shandong Secretary Addresses Trade Union Meeting

SK2310095893 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 22 Oct 93

[Text] Jiang Chunyun, secretary of the provincial party committee, delivered a speech at the province's farewell party held on the afternoon of 22 October for the province's delegate to the 12th national congress of trade union members in Beijing. He pointed out in his speech that the working class should fully discern their positions in politics and history as well as their missions imposed on them by the history in the new historic period of building socialist modernizations. He also pointed out that they should play a role of being vanguards and main forces in modernizations and make greater contributions to economic construction.

Jiang Chunyun said: The 12th National Congress of Trade Union Members is a rally of our country of far-reaching significance in history. The mission of these delegates in attending the grand congress is glorious and their responsibility is important and great because they represent 16 million staff members and workers throughout the province.

Jiang Chunyun pointed out: The working class of China is our country's leading class and is also the main force of building the four modernizations. In order to promote reform and opening up, to develop the economy, and to maintain social stability, we must wholeheartedly rely on the working class. The role of the working class should not be weakened during the new historic period but should be strengthened.

Jiang Chunyun urged the delegates to bring with them the desires of 16 million staff members and workers across the province to the national congress and to bring back the spirit of it so as to boost the province's trade union work to a new stage and to further mobilize the broad masses of staff members and workers across the province to actively join in the construction of socialist modernizations and to make still better achievements in building the two civilizations.

Ma Zhongcai, deputy secretary of the provincial party committee, also addressed the farewell party.

The province's delegation to the 12th national congress is composed of 75 delegates. Of these delegates, 67 are from the political work front and eight are special delegates. Also attending the farewell party were provincial leaders, including Liu Hongren, Guo Changcai, Wu Aiyang, and Tian Jian. The delegates left Jinan for Beijing on the evening of 22 October.

#### Shandong Executes Three for Stealing Crude Oil

SK2210133093 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 21 Oct 93

[Text] The Dongying City Intermediate People's Court held a rally on 21 October to publicly pronounce judgment

on the extraordinarily large case of damage committed on 13 July that shocked people within and outside the province.

At 2200 on 12 July this year, (Yang Jianshe), (Yang Lingyun), (Yang Liangde), (Yang Yuanliang), and (Yang Fangyuan), peasants of (Zhangyang) Village of (Huaguan) Township of Guangrao County, defied state laws and brought tools to the (Zhangyang) valve group of the (Dongxin) oil transmission pipeline of the Shengli Petroleum Administration to steal the state's crude oil. They removed most of the screws on the valve, causing an outflow of 6,885 tons of crude oil and affecting oil production for 20 hours. This incurred a direct economic loss of 99.8 million yuan, and the spilled crude oil inundated and destroyed 70 mu of farmland.

After trials, the court sentenced (Yang Jianshe), (Yang Liangde), and (Yang Yuanliang) to death to be executed immediately by shooting for the crime of undermining inflammable and explosive equipment. (Yang Lingyun) was sentenced to death with a two-year reprieve and with his political rights deprived for life. (Yang Fangyuan) was sentenced to life imprisonment with his political rights deprived for life.

#### Shandong Compiles 'Unprecedented Grain Stockpile'

OW2310013593 Beijing XINHUA in English 0114  
GMT 23 Oct 93

[Text] Jinan, October 23 (XINHUA)—Shandong Province, one of the most developed farming provinces, reported to have reaped a good harvest this year.

According to a local government official, the province is already faced with an unprecedented grain stockpile which is estimated at more than 40 billion kg. Yields of oil crops and cotton have seen a growth of 35.3 and 12 percent, respectively, over last year. And fruit, aquatic and livestock production has also grown considerably. The average income for the huge agricultural population of around 70 million has increased by over 100 yuan.

This year, Shandong has expanded the production of fruit and vegetables in order to meet the demand of domestic and foreign markets.

Now the province boasts orchards of some 734,000 hectares and vegetable gardens of 420,210 hectares, both ranking first in China.

Meanwhile, rural industry has flourished. Its output value in the first three quarters of this year has reached 310 billion yuan, twice the amount for the same period of last year.

It was estimated that some 10 million farmers in Shandong have shifted to manufacturing, and each can earn about 1,000 yuan a year.

Shandong local governments at all levels have also given the green light to all endeavors which can put money into farmers' pockets.

The province has lifted the price control over farm produce and granted farmers permission to sell their products either to state-owned factories or in rural fairs.

Over 60 percent of farm produce have been put on the market in some 7,000 fairs.

### **Shandong's Yantai 'Speeding Up' Modernization**

*OW2310063693 Beijing XINHUA in English 0613  
GMT 23 Oct 93*

[Text] Yantai, October 23 (XINHUA)—Coastal Yantai city on east China's Shandong peninsula is speeding up city modernization to fit in with the country's further opening to outside world.

Yantai has achieved a gross local product worth more than 50 billion yuan a year. It has approved 2,000 overseas-funded enterprises since 1984, when the central government listed Yantai among 14 opening coastal cities.

"To keep our leading position as one of China's first open cities we must make further reforms to establish unmatched advantages," Mayor Zhang Huafu, 48, said.

In response, the municipal government has drafted a city expansion plan called the "Big Yantai Project."

According to the plan, the urban area will expand to 1.2 million sq km and its population will increase to 1.2 million by the year 2010.

The mayor said that projects in the plan, especially the infrastructure construction, have aroused the interest of foreign investors from the United States, Japan and South Korea.

At present, the city is calling for tenders for more than 200 municipal projects, including a rail ferry route between Yantai and Dalian in northeast China's Liaoning Province, a round-city expressway, airport expansion and a container wharf.

These projects will upgrade the city's energy supply system, and transport and telecommunications facilities and improve investment conditions, the mayor said.

However, he stressed the importance of education and professional training.

"The quality of citizens is also a part of the investment environment," Zhang pointed out.

The municipal government encourages citizens, especially government officials, to learn skills.

Furthermore, employees in departments concerning foreign affairs have to learn a foreign language.

### **Shanghai Increases Efforts To Fight Corruption**

*OW2310205393 Shanghai People's Radio Network in Mandarin 2300 GMT 16 Oct 93*

[From the "Morning News" program]

[Text] Shanghai's procuratorates at all levels will focus their efforts on investigating corruption and bribery cases

in party and government organs, judicial departments, administrative and law enforcement departments, and economic management departments. All cases, no matter who is involved, will be thoroughly investigated. This was announced yesterday by a responsible official of the Shanghai Municipal Procuratorate at a news briefing.

It has been learned that during the months of August and September, Shanghai solved 315 corruption and bribery cases, or 42.4 percent of the total cases solved so far this year. During the two months concerned, 45 people surrendered and more than 3,200 corruption and bribery cases were reported by citizens, which was 2.3 times more than the monthly average of the first seven months of this year.

### **Shanghai Reports More Cases Involving Foreigners**

*OW2410130993 Beijing XINHUA in English 1227  
GMT 24 Oct 93*

[Text] Beijing, October 24 (XINHUA)—Courts in Shanghai, the leading industrial city of China, have dealt with 63 cases involving foreign people and Taiwan, Hong Kong and Macao people this year, 269 percent up from the same period of last year.

Among these cases, 39 involved foreigners, revealed Li Guoguang, vice-president of the Higher People's Court of Shanghai here today.

Li said that these cases included disputes on land lease, defaulting on due payments, compensation trade and confirmation of patent's owner, and most involved money disputes.

Li said that the courts would protect the legal interests of both Chinese and overseas parties to serve the country's policy of opening to the outside world.

### **Shanghai 'Expects' Good Autumn Grain Harvest**

*OW2210051693 Beijing XINHUA in English 0445  
GMT 22 Oct 93*

[Text] Shanghai, October 22 (XINHUA)—Shanghai, China's largest economic center, expects a good autumn grain harvest this year.

According to the municipal bureau of agriculture, the city's 200,000 ha [hectares] of paddy fields will turn out an estimated 7,350 kg of late rice per ha this year, about the same as last year's figure, and its 13,300 ha of cotton fields are expected to produce 750 kg of cotton.

A bureau official attributed this optimism to farmers' careful calculations of the benefits of growing extra grain, the adjustment of planting, and the municipal government's stress on grain production.

Early this year farmers were encouraged to grow more cash crops in addition to grain, in line with market demand.

The government also regularly offered information and information on agro-techniques as well as other services to farmers.

## Southwest Region

### Guizhou CPC Committee Holds Plenary Session

OW 2210045793 Guiyang Guizhou Television Network  
in Mandarin 1130 GMT 21 Oct 93

[By reporters Xu Xiaoyan (1776 2556 3601) and Cai Jun (5591 6511); from the "Guizhou News" program]

[Text] The Sixth Guizhou Provincial CPC Committee held its 10th plenary session on 20 and 21 October. The session adopted in principle a report of the sixth provincial party committee to be delivered to the seventh provincial party congress; adopted a resolution to hold the seventh provincial party congress; filled the vacancies of some members of the sixth Guizhou provincial party committee; and made arrangements and plans for the current tasks.

Members and alternate members of the provincial party committee attended the meeting. Attending as observers were members of the provincial advisory and discipline inspection commissions. Wang Chaowen, deputy secretary of the provincial party committee, chaired the meeting.

The attending comrades held two half-day discussion sessions on the draft report of the sixth provincial party committee to be delivered to the seventh provincial party congress; and on draft work reports of the provincial advisory and discipline inspection commissions to be delivered to the seventh provincial party congress.

By fully promoting democracy, comrades freely expressed their opinions and actively delivered speeches. They earnestly deliberated the three draft reports and extended their full approval. They also made many good suggestions for amendments.

The meeting decided the seventh Guizhou provincial party congress' agenda. The meeting decided that the seventh Guizhou provincial party congress will be held in Guiyang on 3 November 1993. In accordance with the party constitution, the plenary session decided to appoint Comrades (Jian Zhifang), (He Caihua), and Xiong Tianguai to fill the vacancies of members of the sixth Guizhou provincial party committee.

Liu Fangren, secretary of the provincial party committee, delivered an important speech at the meeting's closing. He said: We have only 10 or so days before the seventh provincial party congress. All concerned across the province should make good use of their time and strive to properly perform the current tasks.

Specifically, there are three major tasks:

First, we should take a firm and effective grip on the current economic work, and strive to fulfill or overfulfill various tasks of 1993. There is only a little more than two months left in 1993. It is time for us to make an all-out dash to accomplish our economic targets for 1993. With an aim to realizing the objective of increasing the peasants' income and fulfilling our revenue and expenditure targets, we should lose no time in organizing the current production tasks, do a good job in the work on hand; open up

more channels for increasing incomes, and properly handle autumn harvesting and sowing, village and town enterprises, animal husbandry, and breeding undertakings. As far as industrial production is concerned, we should strive to appropriately manage all enterprises, particularly large and medium state enterprises. We should ensure a good job of 1) allocating funds, 2) marketing products, 3) turning in taxes and profits to the state, and 4) pressing for debt collection.

Second, we should take a firm and effective grip on the preparatory work for the seventh provincial party congress. The upcoming congress is a major event in the political life of the vast number of party members and the people of various nationalities in Guizhou. The successful convening of the congress will have an important significance in mobilizing and organizing party members at large and the people of various nationalities in Guizhou to work hard in an effort to realize the second-step strategic objectives. The relevant provincial departments and party committees at various levels should earnestly carry out preparations and should make proper arrangements for the various tasks during the congress to ensure that both the holding of the congress and other relevant tasks can be conducted properly.

Third, we should take a firm and effective grip on the work on fighting corruption and strengthening clean government. In particular, we should pay attention to three major aspects: namely, leading cadres should promote honesty and become self-disciplined; major and serious cases should be investigated and punished; and several malpractices about which the masses strongly complain should be rectified. We must ensure that the work on fighting corruption and strengthening clean government yields marked periodic results in the near future.

Comrade Liu Fangren pointed out: Party committees and governments at various levels should learn to coordinate their working methods as if they were playing the piano. While stressing key issues, they should also make overall plans after taking all factors into consideration. While attending to one thing, they should guard against losing sight of another, seeing to it that work in all fields is carried out in a steady, orderly, and down-to-earth manner.

### Commentary Views Tibet's Anticorruption Struggle

OW 2510060993 Lhasa Tibet Television Network in  
Mandarin 1200 GMT 19 Oct 93

[Station commentary: "Firmly Launch the Struggle Against Corruption"; from the "Regional News Hookup" program]

[Text] Deeply launching the struggle against corruption is an important policy decision of the party Central Committee and the regional party committee for improving the party's work style and building an honest government, and is also an effective measure to accelerate reform, opening up, and economic construction. It is a wise decision much welcomed by the people.

We should respond to the party Central Committee and regional party committee's call and firmly launch a struggle against corruption. The anticorruption struggle is an important way to strengthen party building and consolidate the people's political power, and is also an important guarantee for adhering the four cardinal principles.

At present, people in this region are advancing on the broad road of reform and opening up. However, we must also soberly see that there are indeed some negative and corrupt signs in our party and government organizations, and among some public functionaries. In some sectors, the situation is becoming more serious. If we allow the situation to develop, it will give splittists an opportunity to make trouble and our region will never have a peaceful day. If we allow the situation to run wild, our party will be destroyed; the hard-won people's political power will be ruined; and our great cause of building a new Tibet will be shattered.

Leaders at various levels and people in the whole autonomous region must fully understand the serious nature and danger of the problem of corruption, consider the anticorruption struggle as an important political task, and firmly and properly grasp this struggle in light of the actual situation in various localities.

The regional party committee has already made specific arrangements for launching the current anticorruption struggle. At present, we should stress grasping the following three tasks: 1) We should strengthen supervision and checking of leading cadres' consciousness of being honest; 2) we should concentrate our efforts on investigating and handling a number of major and serious cases of corruption; and 3) we should take resolute action to stop some unhealthy tendencies which are considered most undesirable by the masses.

We hope various localities and departments will closely link the struggle with their actual situation, strengthen their leadership, do solid things, strive to achieve significant progress in the struggle against corruption within a short period, and use specific results to win the people's trust.

#### **Report on Commercial Activities in Tibet's Xigaze**

OW2210112693 Beijing XINHUA in English 0855  
GMT 22 Oct 93

[Text] Lhasa, October 22 (XINHUA)—Engaging in commercial activities has become part of the daily life of Tibetans in Tibet's second largest city, Xigaze.

Many citizens live in newly-built two-storey buildings, with the second floor used as the family dwelling place and the first floor functioning as a store, restaurant, or hotel.

An official said that more than 500 individual businessmen and 54 commercial and industrial enterprises have appeared in the past two years.

In a sign of its support for and joining in the development of a private economy, local officials have torn down the

walls surrounding government headquarters to make room for the establishment of market.

At a free market not far from the Zhaxi Lhumbo Lamasery, up to 300 stalls sell vegetables, wood, furniture, livestock and meat and butter.

A tourist commented that the market is a virtual open-air museum of Tibetan culture.

With Tibetan style bracelets, beads, rings and bells on one hand and a calculator in the other, traders haggle with foreign tourists in broken English.

Not far from this free market is the Danzim Hotel, which is known widely in the city.

Dozur Danzim, 62, owns a three-storey hotel. It includes a shop and a restaurant, while one section is leased to a trader from northwest China's Gansu Province.

The proprietor said that his establishments earned more than 30,000 yuan last year.

The hotel, opened in 1986, has received more than 3,000 foreign tourists, he said.

"Foreign tourists like to stay in my hotel because it is cheap, clean and of butter flavor," he said.

Danzim has three grandchildren: the elder grandson studies Chinese in a high school in the city, the younger grandson studies Tibetan in a nearby county, and the youngest, the granddaughter, 12, studies English in Nepal.

"When they graduate and come home, they will help me with the foreign tourists and manage the hotel better," he said with his face glowing.

Danzim said that he is not yet satisfied with his achievements.

He said that he plans to set up a big store in Yadong, which borders Bhutan, Sikkim and India, because a new border pass will soon be opened.

Danzim said that the government's present policies are good and that the local people are happy.

"Although I am old, I still cherish the wish to live several years more so that I can see the Tibet of the 21st century," he said.

### **North Region**

#### **Activities of Beijing's Gao Dezhan Reported**

##### **Inspects Jixian County**

SK2210065593 Tianjin TIANJIN RIBAO in Chinese  
11 Oct 93 p 1

[Text] "Accelerating the development of the rural economy and striving to increase the income of peasants are the fundamental demands of rural work. Suburban counties across the municipality should devise plans carefully in line with these demands and grasp their work well. This should be regarded as an important aspect in



assessing rural cadres." Gao Dezhan, secretary of the municipal party committee, put forward these demands on the rural areas yesterday.

Yesterday, Gao Dezhan, and Zheng Zhiying, member of the standing committee of the provincial party committee and secretary general, went to Jixian County to inspect the three autumn tasks and visited the masses in the Yushui-qiao Reservoir area. Accompanied by leading comrades of the Jixian County party committee and the government, Gao Dezhan conscientiously inspected the construction situation in the Jixian County development zone. After that, Gao Dezhan and his entourage went to Choudianzi village of Wubaihu township in the reservoir area and held cordial talks with the people in some households. In every household he visited, Gao Dezhan asked the people in detail about their living, whether their grain rations were sufficient and whether they had difficulties in spending the winter. Gao Dezhan highly praised the people in the reservoir area for their noble character of being willing to dedicate themselves to the overall interest. On realizing that the party and government had done much work over the past few years to enable most of the peasants in poor villages shake off poverty and that a small number of peasants have remained fairly poor, Gao Dezhan said: The party and government must further think of a way to rapidly help the poor villages shake off poverty and become prosperous; the masses in the poor villages also should promote the spirit of self-reliance and embark on the road of prosperity as early as possible.

After conducting investigation on the spot, Gao Dezhan listened to briefings given by leading comrades of the Jixian County party committee and government. Gao Dezhan fully affirmed Jixian County's work; praised the leading bodies of the county party committee and government for their good mental attitude, enterprising spirit, and earnest efforts to do practical things; and said that Jixian has great hopes. He encouraged them to make redoubled efforts, blaze new trails actively, work in a down-to-earth manner, and accelerate progress on the basis of their past achievements.

Gao Dezhan pointed out: The general tasks of the municipal rural work are to accelerate and develop the rural economy and strive to increase the income of peasants. All work on building the material and spiritual civilizations should be carried out in line with these demands. At present, we should continue our efforts to grasp well the work of the last three months of this year, make good preparations for next year's work, and strive for a quicker development in the rural economy of the whole municipality.

Gao Dezhan put forward five specific demands for the future rural work: First, we should accelerate the development of the "high-yield and highly efficient farming with maximum efficiency." Agriculture has occupied an important place in the national economy. All districts and counties should further enhance their understanding of the foundation status of agriculture and firmly grasp this foundation. We should pay attention to grain production,

grasp the production of economic crops well, and never slacken our efforts in these aspects. At present, we should do a good job in the last part of the three autumn tasks, and at the same time grasp well the capital construction of farmland and water conservancy projects during this winter and next spring, strengthen leadership, proceed from reality while making arrangements, mobilize the masses to participate in labor, further improve the basic conditions, and make special efforts to grasp the building of water conservancy facilities centering on combating drought. We must be far-sighted. Only by unceasingly improving the infrastructure can we create conditions for developing high-yield and highly efficient farming with maximum efficiency. In developing this type of farming, we must proceed from reality, conscientiously analyze, and give full play to our own advantages and scientifically readjust the structure of planting and variety in line with market needs. If we make a good plan, we will attain high efficiency. Meanwhile, we should also stabilize and improve the party's various rural policies, reduce the burden of peasants, and further mobilize the enthusiasm of peasants. Second, we should accelerate the development of township enterprises, the three types of foreign-funded enterprises, and tertiary industry. We should pay attention to the new economic growth point and accelerate the development of various economic sectors and channels in an effort to push the whole economy forward. It is necessary to accelerate reform, actively promote the shareholding cooperative system, and carry out all measures favorable for changing mechanisms and mobilizing the enthusiasm of the masses. We should do a good job in using foreign capital, invite more businesses, plan more projects, rapidly carry out construction projects, and put projects into operation quickly in an effort to seek quick returns. Regarding existing enterprises, we should raise their efficiency, end deficits and increase profits, pay attention internally to mechanisms and externally to the market, and strengthen management. Third, we should strengthen the work of supporting the poor. Supporting the poor is the emphasis of doing practical things for the masses and the manifestation of the purpose of wholeheartedly serving the people. This work has a bearing on social stability. The higher and the lower levels should pay great attention to it. It is necessary to strengthen leadership over this work, persist in giving different guidance according to the merit of different cases, and implement the responsibility system strictly. The municipal government has already adopted many methods to support the poor people. We must put the measures in place, support the poor areas with preferential policies, and adopt special policies in some major aspects. Meanwhile, we should educate the poor households to foster a mentality of self-reliance and arduous struggle and to find more ways to shake off poverty and to become rich. Fourth, we should strengthen the building of spiritual civilization and comprehensive management of social security. Fifth, we should realistically strengthen the building of party style, administrative honesty, and the leading bodies.

Gao Dezhan also inspected the construction situation of Jixian County power plant.

**Addresses Work Toward Elderly**

SK2310015493 *Tianjin People's Radio in Mandarin*  
2300 GMT 21 Oct 93

[Text] With the approach of the Double Ninth Festival and the Festival for Aging People, Gao Dezhan, secretary of the municipal party committee, personally sponsored a forum on strengthening the work for aging people.

On behalf of the municipal party committee and the municipal government, he extended cordial regards and lofty respects to the retired veteran cadres, staff members, and workers and all old people in the municipality. He hoped that the old comrades and old people would be cheerful, live a happy life, have good health, and live a long life. He also honestly expressed thanks to the comrades engaged in the work for aging people.

Gao Dezhan stressed: The leading cadres at various levels, all departments, and all units should fully understand the important significance of the work for aging people, pay more attention to this work, have a strong sense of responsibility and a profound feeling to realistically do the work for veteran cadres and retired staff members and workers, try every possible means to do solid work for old people, promote the development of the undertakings for aging people, and further form a good social practice of respecting and cherishing aging people.

Municipal Leaders Li Jianguo, Fang Fengyou, Pan Yiqing, and Zhang Guanwen attended the forum. Responsible comrades of the veteran cadres bureau under the municipal party committee, the municipal trade union council, the municipal personnel affairs bureau, and the municipal civil administrative bureau made speeches at the forum.

Gao Dezhan set forth important opinions on doing the work for aging people and developing the undertakings for the seniors.

Gao Dezhan said: Old people, including our old cadres, old staff members and workers, old intellectuals, and old peasants, have made important contributions to our country's revolution and construction. We must never forget their historical achievements. They are the precious wealth of the party, the state, and society.

Gao Dezhan urged: The leading cadres at various levels and all departments should fully understand that doing the work for aging people is a glorious and lofty cause, a component part of building socialism with Chinese characteristics, and a demand for implementing the basic line of the party. Thus, it is a great matter of far-reaching significance. The party committees and the governments at various levels and the departments in charge of the work for the veteran cadres should solemnly and conscientiously implement the central policies on the work for the veteran cadres and conscientiously implement various specific regulations. We should bring into play the roles of veteran cadres in reform, opening up, and economic construction. The committees for management of retired staff members and workers should conscientiously implement the party and government policies on the work for retired staff

members and workers so as to safeguard the legal rights and interests of old staff members and workers. The civil administrative departments should conscientiously implement policies on supporting and giving special care to disabled servicemen and families of revolutionary martyrs and servicemen and enthusiastically help old childless disabled servicemen and old childless families of revolutionary martyrs and servicemen eliminate their difficulties. The municipal committee for aging people and all departments concerned should adopt various forms to launch a propaganda and service campaign of respecting and cherishing old people. The medical, labor, and social insurance departments should proceed from reality and adopt effective measures to provide service for aging individuals. We should mobilize all forces, open various channels, and positively think of ways to help veteran cadres, staff members, workers, and people solve their problems and to ensure that they will live a good life. We should further perfect the social guarantee system for providing for aging people. The state, the collectives, and the families should work in coordination with one another to solve the problems of providing for senior people. Those who do not show filial obedience should be educated. Those who discriminate against and maltreat old people should strictly be dealt with according to law and discipline. Society as a whole should go into action to give love, warmth, and respect to old people.

**Northeast Region****Liaoning Secretary on Investigation, Study**

SK1310122093 *Shenyang LIAONING RIBAO in Chinese* 26 Sep 93 p 1

[By Liu Zhiyun (0491 1807 0061): "Vigorously Develop the Trend of Investigation and Study To Improve the Level of Leadership Work"]

[Text] The provincial party committee held a meeting on the work of investigation and study in Shenyang on 24 and 25 September. The central topic of the meeting was to study Comrade Jiang Zemin's important speech on the need for the entire party to strengthen the work of investigation and study and, based on the reality of Liaoning, to discuss ways to vigorously develop the trend of investigation and study to improve the level of leadership work. During the meeting, the participating comrades introduced the conditions and experiences of the party committees at all levels in strengthening leadership over the work of investigation and study, in carrying out this work in depth, and in improving the contingents of investigation and study in the past few years. They also conducted beneficial explorations and offered many very good suggestions on how to further strengthen the work of investigation and study and make leadership work and policy making more scientific and democratic.

Attending the meeting were leaders of city party committees in charge of the work of investigation and study, directors of the policy research offices of city party committees, and leading comrades of pertinent provincial departments, committees, offices, and bureaus.

Dai Hongwu, deputy secretary general of the provincial party committee, presided over the meeting. Quan Shuren, secretary of the provincial party committee, gave a speech entitled "Vigorously Develop the Trend of Investigation and Study To Improve the Level of Leadership Work."

Quan Shuren said: Investigation and study are an important means to adhere to the Marxist theory of knowledge and methodology and have always been our party's tradition and work style. Attaching importance to investigation and study and making this a trend in the entire party are the basic method to uphold the ideological line of seeking truth from facts and proceeding from reality in doing everything, the major way to achieve unity between the subjective and the objective and integrate theory with practice, and an important issue concerning the success or failure of the causes of the party and the people.

In speaking on why emphasis should be given to the vigorous development of the trend of investigation and study in the new historical conditions, Quan Shuren emphasized: Strengthening the work of investigation and study is the need for 1) implementing the party's basic line and building socialism with Chinese characteristics; 2) deepening reform, opening wider to the outside world, and building the socialist market economy system; 3) correctly estimating the situation and seizing the opportunity to accelerate development; 4) attending to "two tasks simultaneously," "attaining competence in both," and achieving success in building the spiritual civilization while developing the socialist market economy; and 5) maintaining and developing the party's fine traditions, opposing corrupt behavior, and strengthening building of the contingent of cadres. He urged leading cadres at all levels to often go deep into the grass-roots level to derive nourishment and be nurtured by the masses, understand the actual conditions, and perform practical work so that they can upgrade their political quality and work ability.

Quan Shuren said: Conducting investigation and study is the task for the entire party and the responsibility of all fronts and all trades and professions. Therefore, the key to vigorously developing the trend of investigation and study lies in leaders. As long as leading comrades at all levels and in all fields attach importance to it and take the lead in conducting necessary investigations personally, they will be able to directly experience the true situation in practice, make scientific and accurate policies, and lead the entire party in establishing a widespread trend of investigation and study.

Quan Shuren said: Most leading cadres in the province have attached importance to investigation and study since the third plenary session of the 11th party Central Committee. Based on the party's basic line and the specific conditions of their own localities, they have conducted fruitful investigation, put forward many important ideas and measures for the development of their own localities and trades, and guided the work in various fields fairly successfully. Judging from the situation of the entire province, however, our work to vigorously develop the trend of investigation and study is far from being enough,

and the current situation is still very incompatible with the new conditions in reform, opening up, and establishing the socialist market economy. The work of investigation and study has been developed very unevenly in various areas, and some have yet to list it as an important item on the agenda of their leaders. Bound to many jobs, some leading comrades cannot extricate themselves to conduct investigation at grass-roots levels. Even if they can, their investigation is merely superficial and cannot meet the purposes of investigation and study, still less help them understand the essence and law of things. Therefore, the key to solving this problem lies in leading persons, in their understanding, in their boldness of vision, and in their art and act of leadership. For this reason, he urged leading comrades at all levels to put investigation and study high on their agenda, establish and improve the necessary systems to conduct investigation and study on a regular basis, and make organization and coordination to conduct systematic investigation on key issues in a planned manner.

Quan Shuren said: Based on the guidelines of the arrangements of the central authorities and the current situation of the province, the province should particularly study 10 key issues in the fourth quarter of this year and the first half of next year.

First, we should comprehensively implement the guidelines of the document No. 6 of the central authorities, both effectively strengthen macroeconomic regulation and control and realistically resolve the specific problems and deep-seated contradictions in the province's economic development, and maintain the good trend of sustained economic development.

Second, we should further deepen understanding of the provincial situation, replenish and improve the province's economic development strategy, and further clarify the content, targets, and measures for the "second pioneering program" to speed up Liaoning's development.

Third, to prepare for implementing the guidelines of the third plenary session of the 14th party Central Committee, we should concentrate efforts on studying how to establish the socialist market economy system in a province like Liaoning, including how to transform enterprises' operating mechanism, how to change government functions, how to establish the various market systems and social security systems, how to achieve success in a series of major reform of the financial and tax systems, monetary systems, and investment systems, what influence the reform will bring to Liaoning's economy, and what countermeasures we should take.

Fourth, we should organize pertinent provincial and city departments to conduct overall investigation on the state-owned large and medium-sized enterprises throughout the province, analyze the current situation, advantages, difficulties, and prospects of each trade and each enterprise, and study and formulate the specific measures for investigating and improving them.

Fifth, aiming at achieving scientific and technological progress, we should speed up industrial restructuring,

technically transform the old industrial base, and greatly upgrade the technological level of township enterprises.

Sixth, to meet the requirements for establishing the socialist market economy system in rural areas and developing high-yield, good-quality, and highly efficient agriculture, we should study ways to deepen rural reform, increase agricultural investment, realistically reduce the burdens on peasants, and raise agriculture to a new level as soon as possible.

Seventh, to meet the requirement for "reentering GATT," we should achieve success in the reform of the foreign economic relations and trade systems, open more fields to the outside world, and improve the level and quality of opening to the outside world.

Eighth, we should study ways to deepen the reform of scientific and technological systems and education systems; relax control to invigorate trained personnel and accelerate the transformation of scientific and technological achievements; make science, technology, and education better serve economic construction; and fulfill the strategy of developing Liaoning with science, technology, and education.

Ninth, in the condition of developing the socialist market economy, we should study ways to launch effectively the anticorruption struggle and conscientiously do a good job in party building and maintaining honesty in performing official duties.

Tenth, we should conscientiously study the characteristics and laws of building the socialist spiritual civilization in the new situation, achieve success in comprehensively improving social security, deal effective blows to criminal offenses, eliminate the various ugly phenomena in society, and provide a good social environment for reform, opening up, and economic construction.

Quan Shuren pointed out: We should strengthen leadership over the organs for investigation and study and successfully build the contingents of investigation and study. Party committees at all levels, in particular, should conscientiously strengthen leadership over the organs for investigation and study. Principal leading comrades should keep the personnel engaged in investigation and study beside them, exchange views with them often, make intentions and tasks clear to them, and listen to their work reports frequently. They should strengthen the ideological and political leadership over these personnel and lead them to uphold better the party's basic line; to use the Marxist stance, viewpoints, and methods to profoundly and correctly analyze and study issues; and to provide valuable data for the policy making of leaders.

Quan Shuren emphasized: We should strengthen the policy research organs of the provincial and city party committees. The sections and offices for investigation and study of the provincial departments charged with overall responsibility should be stabilized properly, and there should also be a substantial force at the county level to help in the investigation and study of county party committees. We should step up efforts to improve the contingents of investigation and study and replenish the organs for investigation and study with the people who have fairly high political quality, theoretical level, ability to understand, and ability to express with words so as to continuously make new contributions to the promotion of the civilization and the development of Liaoning.

Also present at the meeting were Xu Wencai, standing committee member and secretary general of the provincial party committee; Li Jun, vice chairman of the provincial people's congress standing committee; Li Qisheng, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference; Cui Yukun, adviser to the provincial government; and Xu De, secretary general of the provincial government.



### **Fishing Boat 'Bombarded' by Island's Forces**

*OW 2310090193 Beijing XINHUA in English 0848  
GMT 23 Oct 93*

[Text] Beijing, October 23 (XINHUA)—At least one mainland fisherman was injured on October 18, when a fishing boat from Hecuo Village in Xiamen, southeast China's Fujian Province, was bombarded by Armed Forces stationed on Jinmen Island of Taiwan.

The incident was announced today by the Mainland Association for Relations Across the Taiwan Straits in a letter, dated October 23, to Taiwan's Foundation for Exchange Across the Taiwan Strait.

The boat, which carried three mainland fishermen, identified as Huang Fulai, Guo Qinghai and Huang Zhiming, was bombarded by Taiwan troops in the Niubijiao Sea area, east of Jinmen Island.

A shell hit the boat, which was engaged in fishing in the sea area, and at least one of the three mainlanders was injured.

The boat drew alongside the shore of Jinmen Island so as to have the wounded hospitalized.

To date, the fishermen and the boat have not come back to the mainland.

The mainland association urged the Taiwan side to return the fishermen as early as possible.

According to the letter, mainland fishermen have strongly denounced the barbarous act of the Taiwan Forces, and they want compensation from the Taiwan side for all economic losses they have incurred in all such incidents and hope such incidents will never happen again.

### **Industrial Federation Delegation Visits Beijing**

#### **Li Lanqing Receives Group**

*OW 2210171093 Beijing XINHUA in English 1507  
GMT 22 Oct 93*

[Text] Beijing, October 22 (XINHUA)—Chinese Vice Premier Li Lanqing met here today with the 29 members of a group sent by the Taiwan Industrial Federation to study the mainland market.

Li extended a warm welcome to the Taiwan guests and talked with them about trade and cooperation across the Taiwan Straits.

Li said that economic and trade exchanges between the two sides had been increasing in recent years, which was beneficial to both sides.

Li expressed his hope that more compatriots from Taiwan would invest in the mainland and that the Taiwan authorities would allow the direct exchange of mail, trade and air and shipping services between the two sides as soon as possible so that the entrepreneurs of the two sides could freely conduct economic exchanges.

Taiwan industrialists at the meeting also expressed the hope for accelerated exchanges and cooperation between the two sides.

The Taiwan Industrial Federation has 80,000 enterprise members involving more than 160 industrial trades. Many of its members had invested in the mainland.

Following their tour of Beijing, the group will go to Shanghai, Guangzhou and Shenzhen.

Wang Zhaoguo, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, also met the group here today and hosted a dinner in their honor.

#### **Jiang Views Ties With Delegation**

*OW 2310080393 Beijing XINHUA in English 0750  
GMT 23 Oct 93*

[Text] Beijing, October 23 (XINHUA)—Jiang Zemin, general secretary of the Central Committee of the Communist Party of China (CPC), met today with a delegation from the Taiwan Industrial Federation, headed by Sheng-fa Hsui, at the Great Hall of the People.

Jiang said that with the development of relations across the Taiwan Straits, contacts and exchanges between people on the two sides of the waterway have been enhanced.

He noted that there are good signs in terms of exchanges in various fields, especially in economic exchanges and cooperation, across the Straits.

Jiang said that both the mainland and Taiwan have advantages in economic development, and added that through economic cooperation and trade, they can benefit each other.

He said he hopes more Taiwan investors will come to the mainland for business so as to promote economic cooperation between Taiwan and the mainland and revitalize the country.

Wang Zhaoguo, director of the Taiwan Affairs Office of the CPC Central Committee, was also present at the meeting.

#### **Island Group 'Calling For' Cross-Strait Talks**

*HK1910131593 Beijing CHINA DAILY in English 19  
Oct 93 p 1*

[By staff reporter Xie Liangjun: "Taiwan Fax Kindles New Talks Hope"]

[Excerpt] Unofficial talks between the Chinese mainland and Taiwan may resume soon after a break of almost two months.

Sources from the Association for Relations across the Taiwan Straits (Arats) told China Daily yesterday that they received a fax from their Taiwan counterpart confirming its willingness to resume negotiations.

No exact date has been set. However, the mainland side suggested they should get together as soon as possible in

Beijing while the Foundation for Exchanges across the Taiwan Straits (Sef) is calling for talks in Xiamen, Fujian Province, later this month or early in November.

Sef responded only after the mainland association had pressed them time and again to restart their non-governmental talks.

The plan is to follow up agreements reached at the summit between the two bodies' leaders Wang Daohan and Koo Chen-fu in Singapore in April.

Arats and Sef officials held their last talks in Beijing between August 30 and September 1, without substantial progress.

The mainland association has since sent several letters to Taiwan calling for immediate resumption, but it received no response until the October 15 fax. [passage omitted]

### **Official Welcomes Investors, Discusses Exchanges**

*OW2410191593 Beijing XINHUA Domestic Service in Chinese 1206 GMT 14 Oct 93*

[Text] Beijing, 14 Oct (XINHUA)—Wang Zhaoguo, vice chairman of the Chinese People's Political Consultative Conference National Committee and director of the State Council's Taiwan Affairs Office, met with a visiting group of 13 Taiwan investors in Foshan city, Guangdong, led by Luo Jianxin, president of the Wanda Adhesives Company, Limited, of Foshan. The meeting took place in the Great Hall of the People in Beijing this afternoon.

Wang Zhaoguo extended his welcome to the visitors and thanked the Taiwan compatriots for investing in the mainland, supporting the mainland's economic construction, and promoting cross-strait economic exchanges and trade. He and the visitors exchanged views on questions concerning Taiwan businessmen's investment in the mainland and cross-strait economic cooperation.

Wang Zhaoguo said: We attach great importance to cross-strait economic exchanges and cooperation. The economies on the two sides of the Taiwan Strait, each with its own strong points, are highly complementary to each other, and cooperation will benefit both sides. In recent years, economic exchanges and trade between the two sides have developed rapidly and vigorously, and Taiwan businessmen have made tremendous contributions to the cross-strait economic exchanges and cooperation. We pay great attention to protecting the legitimate rights and interests of Taiwan investors on the mainland, and we are striving to provide even better legal and policy protections and a better investment climate to Taiwan investors here. We will actively study and solve any new problems encountered by Taiwan investors, and we support the Association for Relations Across the Taiwan Strait and the Foundation for Exchanges Across the Taiwan Strait holding talks on protecting Taiwan businessmen's investments in the mainland. We sincerely hope that the two sides will strengthen economic cooperation and revitalize China together. Wang Zhaoguo briefed the visitors on the reform, opening up, and economic development on the mainland.

Mr. Luo Jianxin, the head of the group, said: The investment environment in Foshan city is good. Because they enjoy preferential policies and the vigorous assistance of the Taiwan affairs office of the city, Taiwan businessmen in Foshan obtain very good economic returns from their investments. We hope that cross-strait economic exchanges and cooperation will develop further.

### **Fujian Officials 'Destroy' Drug Processing 'Dens'**

*HK2210065093 Beijing RENMIN GONGAN BAO in Chinese 12 Oct 93 p 1*

[Report by He Hongyong (0149 4767 3057) and Zhang Daqiang (1728 1129 1730): "Fujian's Zhangzhou and Quanzhou Public Security Organs Destroy Two Drug Processing Centers of Taiwan Drug Dealers"]

[Text] On 28 September, the Fujian Province Antidrug Office told the press how the public security organs in May crushed two secret drug processing dens established by Taiwan drug dealers in Fujian.

In the beginning of May, after a careful investigation of seven months, Fujian Province's Zhangpu County Public Security Bureau and Jinjiang City Public Security Bureau, led by the Zhangzhou City Public Security Bureau and Quanzhou City Public Security Bureau, and guided by the provincial public security department, swiftly cracked down on two illegal "ice" processing dens which were secretly established by Taiwan drug dealers Dong Qunneng [5516 5028 5174], Cai Juyuan [5591 1446 0337] (already arrested by Taiwan police), and Chen Gaoming [7115 7559 2494] in Fujian Province's Zhangpu County and Jinjiang City. A large quantity of equipment and chemicals for producing "ice" was seized. Drug dealer Chen Gaoming was arrested on 29 May in Guangzhou.

An investigation revealed that this was an extraordinarily big case of secretly producing and selling "ice" that was planned, controlled, funded, and technologically supported by a group of Taiwan drug dealers in Fujian, who used the raw materials and manpower in our province.

Taiwan drug dealer Chen Gaoming was sentenced to six years imprisonment by the Taiwan police in 1987 for making "ice" in Taiwan. After coming out of jail, he went to Hong Kong, where he met Wu Jianmin [1566 1696 3046], an illegal element from Taiwan, and they discussed how to continue producing "ice." Thereafter, they met Dong Qunneng, who had a large amount of funds, so the three persons planned to produce "ice" on the mainland. They met Zeng Songtao [2582 2646 3447], a native of Zhangpu County, and through him they rented Xiatan Grain Warehouse in Zhangpu County, without authorization from the relevant authorities, they established Xiantuo Chemicals Company Limited, and began to produce "ice" in early September 1992.

At the end of December 1992, Dong Qunneng asked Cai Juyuan and Chen Gaoming to join him in establishing a drug processing den in an earthen bowl factory in Xiamen Village, Neikeng Town, Jinjiang City. Up to 25 March 1993, more than 510 kg of "ice" had been produced.

In the early hours of 25 April, Dong Qunneng and Cai Juyuan rented a car to deliver the "ice" to Jinjiang City's Weitou Pier, where a Taiwan fishing boat "Futeng" was waiting. The boat was intercepted by Taiwan police on its way to Taiwan.

According to information, Fujian police will use suitable channels to establish contact with Taiwan police, to obtain testimony relating to Dong Qunneng and Cai Juyuan to conclude the case and punish the criminals as soon as possible.

**Sports Official Visits DPRK, Reaches Agreement***OW2410112593 Tokyo KYODO in English 0744 GMT 24 Oct 93*

[Text] Tokyo, Oct. 24 KYODO—Taiwan and North Korea have agreed to strengthen their bilateral sports exchanges in the future, a top Taiwanese sports official visiting Pyongyang said Sunday [24 October].

In a telephone interview with KYODO NEWS SERVICE from Tokyo, Chang Feng-shu, president of the Chinese Taipei Olympic Committee, said the two sides have agreed to send athletes to each other's international sports events.

The countries have also reached agreement on an exchange of coaches and trainers, and Chang said he has received a list of international sports events planned in North Korea next year.

Taiwan and North Korea have no diplomatic relations, and the move is regarded as a signal to show off an improved political atmosphere following establishment of diplomatic ties between China and South Korea last year, according to sports sources.

Chang has been in Pyongyang since Tuesday for the first such visit to North Korea by a Taiwanese sports official and has conferred with his North Korean counterpart Pak Myong-chol and North Korean Olympic Committee Secretary General Chang Ung.

**Industrialists Visit Jiang Zemin in Beijing***OW2310155793 Taipei CNA in English 1349 GMT 23 Oct 93*

[By Debbie Kuo]

[Text] Beijing, Oct. 23 (CNA)—Mainland Chinese President Jiang Zemin Saturday [23 October] called for the unification of Taiwan's well-developed economy and the mainland's solid industrial technologies, saying that if Chinese across the Taiwan Strait joined hands, "none in the world could bully us."

Meeting with a group of business leaders from Taiwan at the Great Hall of the People, Jiang said differences existing between the two sides of the strait were "tolerable," but that immense change would lead no one anywhere.

Commenting on the human rights situation in the mainland, the general-secretary of the Chinese Communist Party told his Taiwan guests that the ultimate human rights achievement is seeing that the 1.1 billion people on the mainland are fed.

The Taiwan business delegation, led by Chinese National Federation of Industries [CNFI] Chairman Hsu Sheng-fa, called on mainland authorities to quickly solve problems concerning interest rates, foreign exchange rates, tariffs and taxation.

Separately, Hsu said Taiwan will open its doors next year to businessmen and industrialists from the mainland.

Jing Shuping, chairman of the All-China Federation of Industry and Commerce, will be the first person invited by the CNFI to visit Taiwan, Hsu said.

**Jiang Urges Cross-Strait Trade***OW2510095193 Taipei Voice of Free China in English 0200 GMT 25 Oct 93*

[From the "News" program]

[Text] Mainland Chinese President Chiang Tse-min [Jiang Zemin] has called for further cross-strait economic cooperation to build a strong Chinese economy, sources from Peking have said. Chiang made the call during a meeting with a Taipei industrial delegation headed by Hsu Sheng-fa, chairman of the Chinese [ROC] national federation of industries, at the Great Hall of the People.

Chiang said he recognizes Taiwan's dynamic economy and business management which can be combined with the mainland's strong science and research capability to create the world's strongest economic muscle.

Hsu suggested to the mainland leader that a set of legal regulations governing economic investment activities are essential to further advancement of the mainland's economy.

**Official on Jiang Meeting Dominican President***OW2410184093 Taipei LIEN HO PAO in Chinese 7 Oct 93 p 1*

[By reporter Hu Yu-li [5170 3768 4539]

[Text] Chiang Tze-min [Jiang Zemin], president of the Chinese communists, met Dominican President Seignoret yesterday. Commenting on the "summit" between the Chinese communists and Dominica, a Foreign Ministry official said: The Dominican foreign minister informed us ahead of time that his country's titular president was, at the invitation of a Taiwan businessman, making a private visit to the mainland before his retirement. We are not worried about the meeting between the Dominican president and Chiang Tze-min. The Dominican foreign minister has stressed to us repeatedly that the friendship between our two nations is very solid. The fact that Dominica was one of the countries that signed a declaration in support of our country's membership in the United Nations is further proof of this.

The Foreign Ministry official noted that there is, as a matter of fact, no cause for alarm. President Seignoret is already advanced in years. He has been a titular president for the past nine years without having much real influence. Because his term will soon expire, he accepted the invitation of a Taiwan businessman surnamed Tung to visit the mainland in a private capacity. That Chiang arranged a meeting with him and had the news published is simply intended as a show of force to curb the momentum of our country's efforts to regain its membership in the United Nations.



### **Lien on Mainland, Island as 'Equal Sovereigns'**

OW2410082893 Taipei Voice of Free China in English  
0200 GMT 24 Oct 93

[From the "News" program]

[Text] Premier Lien Chan Friday [22 October] invoked the experience of East and West Germany before German reunification as a model for evolving political formula between Taiwan and Mainland China. The premier suggested mainland and Taiwan should work out differences as equal sovereigns and jointly participate in international organizations, such as the United Nations, just as the two Germanies did before their reunification. Lien reiterated the Mainland China recently released white paper, which assails Taiwan's attempt to rejoin the United Nations, is damaging to bilateral relations across the Taiwan Strait. The white paper condemned the ROC's [Republic of China] attempt to become a UN member and asserted Taiwan is a renegade province under the jurisdiction of the Peking government. The premier urged Peking authorities to face the political realities which divide the Taiwan Strait. Lien also said Taiwan exercises no sovereignty over Mainland China and vice versa.

### **Prosecutors Office Indicts Mainland Hijacker**

OW2310142793 Taipei CNA in English 1345 GMT  
23 Oct 93

[By Debbie Kuo]

[Text] Taipei, Oct. 23 (CNA)— The Taoyuan District Prosecutors Office Saturday [23 October] recommended a minimum 12 year prison sentence for mainland Chinese hijacker Chang Wen-lung for hijacking a passenger airliner from Mainland China to Taiwan in June of this year.

During the indictment Saturday morning, the prosecution argued that Chang, despite being a college-educated military serviceman, had committed a serious crime and violated national security and international aviation security laws.

The prosecution, however, suggested a minimum prison sentence of 12 years, instead of a harsher penalty because Chang surrendered at the airport and none of the passengers were harmed during the hijacking.

Chang, 29, hijacked a Xiamen Airlines Boeing 737 carrying 63 passengers and 13 crew with a toy gun and a knife while the plane was en route from Changzhou in Jiangsu Province to Xiamen in coastal Fujian Province.

The airliner, passengers and crew on board were returned unharmed to the mainland on the same day, while Chang was detained for air piracy.

Chang's case was one of four hijackings of mainland airliners to Taiwan this year. The other three hijackings occurred in April, August and September, respectively.

### **Defense Minister 'Welcomes' French Arms Offer**

OW2310085493 Taipei CNA in English 0806 GMT  
23 Oct 93

[By Sofia Wu]

[Text] Taipei, Oct. 23 (CNA)—The Republic of China [ROC] welcomes the latest French arms sales offer but has not yet decided whether to accept the proposal. Defense Minister Sun Chen said Saturday [23 October].

Foreign wire service reports said France has offered to sell Taiwan US\$2.6 billion worth of naval weaponry, including ship-to-ship Exocet missiles, Crotale and Mistral anti-aircraft missiles, torpedoes, rapid-fire cannon and electronic warfare equipment.

Responding to the reports, Sun told a news conference at the Government Information Office that the military is still evaluating the offer and will make a decision later.

Sun pointed out that the global arms market has been shrinking since the end of the Cold War. "We now have better chances to procure advanced weapons and military equipment," he noted.

The economist-turned minister said the government hopes the purchase of foreign-made arms will not hinder [as received] research and development of defense technologies here.

Sun said the government is undertaking a 10-year military buildup program to beef up the country's defense capabilities.

Under the program, weapon systems and military equipment will be modernized, while the number of troops will be cut from the current 485,000 to 400,000. Personnel will be cut to 200,000 in the Army and between 60,000 and 70,000 each in the Navy and the Air Force.

Sun added that the Armed Forces will be restructured, with the ratios of officers, non-commissioned officers and enlisted men adjusted to 1:3:2. At present, there are too many high-ranking military officers, he noted.

### **Bundesbank Move 'May Induce' Interest Rate Cuts**

OW2310141993 Taipei CNA in English 1359 GMT  
23 Oct 93

[By Sofia Wu]

[Text] Taipei, Oct. 23 (CNA)— The Central Bank of China may induce further interest rate cuts following the latest interest rate reductions in Germany, financial analysts said Saturday [23 October].

The German Bundesbank lowered each of its key interest rates by half a point Thursday in a move designed to help European nations combat unemployment and sluggish economic growth.

The Bundesbank lowered its discount rate, the cheapest rate for commercial loans, from 6.25 percent to 5.75 percent. It also lowered its Lombard rate, the rate at which

banks can borrow emergency funds from the Central Bank, from 7.25 percent to 6.75 percent.

The unexpected move sparked sharp rises in the US dollar's value and prices on major European stock markets.

The Central Bank of China has also come under heavy pressure to further ease its credit policy and induce reductions in local interest rates, financial sources said.

The bank has adopted an easy credit policy since April. It lowered interest rates for secured loans to commercial banks to 6.125 percent per annum in May and cut bank reserve requirements by 0.75 to 1 percent in mid-September.

The credit-easing measures have since prompted local banks to slash their deposit and lending interest rates.

Nevertheless, financial analysts said, Taiwan's interest rates remain relatively high compared with those in Western and neighboring Asian countries.

Taiwan's effective interest rate (the average prime lending rate minus the inflation rate) is estimated at 5 percent this year, higher than 1992's 3.8 percent. The rate also outstrips the 2 to 4 percent rates seen in the United States, Japan, Britain and South Korea.

The analysts said the Central Bank is likely to lower its discount rate and possibly its interest rate for secured loans by 0.25 to 0.5 percent in order to induce local commercial banks to trim their lending rates. The current discount rate, the interest the Central Bank charges on commercial banks, is 5.625 percent.

The Central Bank is expected to discuss the interest rate issue during its next board meeting Nov. 4, the analysts noted.

### **Li Teng-hui Congratulates Berlin Meeting on Rights**

*OW2210155993 Taipei CNA in English 1343 GMT  
22 Oct 93*

[By Bear Li]

[Text] Taipei, Oct. 22 (CNA)—President Li Teng-hui Friday [22 October] called for the establishment of new world order based on human rights and freedom.

He made the call in his written congratulations to the 25th general conference of the World League for Freedom and Democracy being held in Berlin, Germany. Some 200 political leaders from around the world are taking part in the gathering.

Li said that since the end of the cold war, the world has been marching toward global detente and cooperation and that a consensus of freedom, democracy, and human rights has already been reached in the hearts of people all over the world.

The flourishing of democracy has made it difficult for the remnants of communist power to contend, he said, and added that economic, technological, and cultural cooperation and exchanges have greatly enhanced the mutual respect of mankind.

In reference to Taiwan's position vis-a-vis Mainland China, Li said he hoped the world league would urge the United Nations not to let itself be manipulated by superpowers, and "to abide by the principle of universality embodied in its charter so that the vast number of people who want to further the welfare of mankind can all participate in this international organization and together strive for world justice and peace."

### **President Li Gives 'Retrocession Day' Address**

*OW2510085593 Taipei CNA in English 0732 GMT  
25 Oct 93*

[By Lillian Lin]

[Text] Taipei, Oct. 25 (CNA)—President Li Teng-hui Sunday [24 October] expressed appreciation to the people of Taiwan for their contributions to national development and social reconstruction.

During his address to the nation on the eve of Taiwan Retrocession Day, Li called for people to show the tolerance and mutual respect necessary for the continued development of a multi-party democracy.

The president also spoke on the need for a well-planned and carefully implemented social welfare system. He said such a system would have a great impact on the economic and financial development of the nation.

Taiwan Retrocession Day is celebrated each Oct. 25. The day marks the restoration of Taiwan to Chinese rule in 1945 after 50 years of Japanese occupation.

## Hong Kong

### Li Lanqing Comments on Sino-British Talks Reported

#### No 'Through Train' If Patten Proposal Pursued

HK2310052093 Hong Kong WEN WEI PO in Chinese  
23 Oct 93 p 11

[Report: "Li Sau-hang Quotes Li Lanqing as Saying That If the British Persist in Pursuing the Patten Proposal, There Will Be No 'Through Train' in 1997"]

[Text] In Zhongnanhai yesterday, Li Lanqing, member of the CPC Central Committee Political Bureau and vice premier of the State Council, met with the delegation of recipients of 1993 Hong Kong Young Industrialist of the Year awards. After the meeting, delegation head Li Sau-hang quoted Li Lanqing as saying that the 14th round of Sino-British talks on Hong Kong's constitutional issues did not bring much progress and that the main difference of opinion was still on the issue of the "through train." At the moment, it is very hard to predict what will happen. There is a chance that the talks will fall through [tan bu cheng ye you ke neng 6151 0008 2052 0048 2589 0668 5174]. But whatever the circumstances, the Chinese Government will not negatively influence [ying xiang 1758 0742] Hong Kong's economic prosperity, but continue to promote it.

Li Sau-hang also said: When speaking on the "through train" issue, Li Lanqing noted that most of the legislators will be able to get through and probably only a minority will not be able to make it. If the British Hong Kong Government persists in pursuing the Patten proposal, there will be no "through train" in 1997.

Li Sau-hang quoted Li Lanqing as saying that "Hong Kong people governing Hong Kong" is the Chinese Government's set principle and will not change. Whatever the circumstances, it will not negatively influence Hong Kong's economic prosperity, but will continue to promote it. This is also the Chinese Government's basic position. Maintaining Hong Kong's economic prosperity is not only the Hong Kong people's wish, but also that of China. The Chinese Government is capable of achieving this.

Li Sau-hang also quoted Li Lanqing as saying that though China may also set up a number of "Hong Kongs" on the mainland, the role of the mainland "Hong Kongs" will not be able to replace Hong Kong's current status as an international economic, financial, and shipping center that has been developed over many years. Furthermore, the existing Hong Kong is a capitalist Hong Kong and the mainland ones will be "Hong Kongs" under the system of socialist market economy. Their roles may not be entirely the same.

Li Sau-hang quoted Li Lanqing as saying that the concept of "one country, two systems" initiated by Deng Xiaoping is an extremely farsighted one. The Chinese Government has the obligation and realistic reasons for realizing it. Therefore, people in various circles in Hong Kong do not have to worry about it.

Li Sau-hang continued that Li Lanqing also expressed the hope that Hong Kong will assist in the Chinese mainland's economic progress, because the economies in the two places are complementary. If a good economy and stable social order were lacking on the mainland, Hong Kong would sustain the biggest impact. And because the population on the Chinese mainland is so big, if the above situation arose, it would affect the whole world.

Li Sau-hang also revealed that at the meeting they expressed to Li Lanqing the hope of Hong Kong's industrial and business circles that the Chinese and British Governments will handle politics and economics separately and that no matter what the political talks and developments are like, the two sides will do their best to maintain Hong Kong's economic prosperity and stability.

#### Economy Will 'Be Hurt' by Sino-UK 'Row'

HK2310062493 Hong Kong SOUTH CHINA  
MORNING POST in English 23 Oct 93 p 2

[By Linda Choy and Louis Won]

[Text] Hong Kong's economy will inevitably be hurt by the Sino-British row over political development, Chinese Vice-Premier Li Lanqing says.

After a meeting yesterday with a delegation of Hong Kong industrialists, Mr Li was quoted as saying it was difficult to prevent the erosion of investors' confidence.

The delegation's spokesman, Eddy Li Sau-hung, said the Vice-Premier had assured them that China did not want to see the long-term economic development of the territory damaged.

Mr Li Lanqing said the prosperity and stability of Hong Kong was vital to the booming Chinese economy under Beijing's economic reform policy.

"In the long run, China will keep Hong Kong as a prosperous place providing a good trading environment. (It) will let us continue to prosper with our trading activities and it will value very much the development of the territory," Mr Eddy Li said after the meeting.

But the Vice-Premier's remarks were received with reservations by Governor Chris Patten.

"We don't think that it's very sensible for others, looking at our affairs and our enormously successful economy, to say things which may sound to some people rather threatening to the future of our livelihood and our wellbeing," Mr Patten said.

One way to ensure the economic success of Hong Kong was to strengthen the rule of law, which was what China and Britain were trying to achieve in their negotiations, Mr Patten said.

The Vice-Premier was also quoted as saying that the last 14 rounds of Sino-British negotiations on the 1994-95 electoral arrangements of Hong Kong had achieved little progress and there was a possibility of the talks breaking down.

Mr Patten, stressing that people wanted to see an early agreement, said: "To borrow a phrase that was used a few weeks ago, we certainly think that it would be a 'big deal' if we don't get an agreement.

"I think we should put that (Li's remarks) on one side and concentrate with their sincerity and creativity on trying to find a way forward and trying to find a breakthrough," he said. [sentence as published] "And, 'inching forward' is no longer enough."

Meanwhile, the Secretary for Constitutional Affairs, Michael Sze Cho-cheung, said yesterday that there was no need to consult the Chinese side on the district board election boundaries drawn by the Boundary and Election Commission.

Mr Sze said the commission was an independent body which did not even need to consult the Hong Kong Government in making the proposals on election boundaries.

"Like the public, we (the Hong Kong Government) can only give the commission our opinion on their proposals during the 30-day consultation period after they finish drawing the proposed boundaries," he said.

Although the boundaries were based on Mr Patten's political reform proposals, Mr Sze said he did not rule out the possibility there would be appointed district board members in 1994.

### Beijing Asked to 'Give Some Ground' in Talks

HK2510010293 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 24 Oct 93 p 2

[By Quinton Chan and David Healy in London]

[Text] Liberal Party chairman Allen Lee Peng-fei yesterday made a telephone plea to top Chinese official Lu Ping for Beijing to give some ground in the political reform negotiations. He urged the Hong Kong and Macao Affairs Office director to accept Governor Chris Patten's conditional offer to split discussions on the 1994-95 electoral arrangements, claiming the three issues involved could be resolved. Mr Lee—in Beijing as part of a delegation of the Outstanding Young Person's Association—said he told Mr Lu most legislators did not support the retention of appointed district board seats, and would not accept a voting age of 21, even as part of a deal struck between the two sides. He also urged China and Britain to reach agreement on the single-seat single vote system proposed by Mr Patten, which legislators have already voiced their support for. But the Hong Kong and Macao Affairs Office made no response to the Liberal Party chairman's plea.

In Hong Kong, Democratic Alliance for Betterment of Hong Kong chairman Tsang Yok-sing said it would be hard for the Chinese side to accept such conditions, and that the talks were entering their final stage. "Both sides should clearly know the deadline of the other," he said.

Also in Beijing, Preliminary Working Committee member Maria Tam Waichu said the chances of reaching an agreement were lower than any time previously.

Meanwhile it has emerged that the Governor is expected to visit London again in January for high-level talks during a trip which will also take in a meeting of the World Economic Forum in Davos, Switzerland. A British source said this trip would represent the final cut-off date for the negotiations, although this was denied in Hong Kong yesterday. The deadline is more widely expected to come during Mr Patten's visit to Britain next month. However there were suggestions yesterday that this week's 15th round of talks may not be the last, with the possibility of one further round being held before the November 10 Cabinet Committee in London.

The Governor is also expected to visit Australia next February.

### UK Parliamentarians 'Support' Patten's Proposals

HK2010070093 Hong Kong SOUTH CHINA MORNING POST in English 20 Oct 93 p 2

[Report by Linda Choy]

[Text] A delegation of British parliamentarians ended a visit to Hong Kong yesterday, saying they had not found enough proof that the political reform proposals violated agreements between Britain and China.

The views of the Foreign Affairs Committee (FAC) will form the basis of parliamentary discussion on the Hong Kong issue after members return to Britain later this month.

A detailed report on the inquiry in Beijing, Hong Kong and Taiwan—the next stop—will be tabled to parliament early next year.

Concluding the four-day visit to Hong Kong, FAC chairman David Howell reiterated the group's support for Mr Patten's proposals, "which now seek to take democracy reform forward sensibly and in a balanced way".

He added: "It seems to us what the British policy is seeking to do is to proceed on the right line for Hong Kong while keeping within and honoring the Basic Law, the Joint Declaration of 1984, and the exchanges between foreign ministers since (then)."

The FAC delegation met Legislative Councillors, lawyers, government officials and the Director of the local XINHUA (New China News Agency) office, Zhou Nan.

Mr Howell refrained from saying whether Mr Patten's proposals should be tabled to the Legislative Council, saying the negotiation was a matter between the two Governments.

But Chinese officials failed to convince the FAC that the Patten proposals violated the Joint Declaration, the Basic Law and the exchange of letters between foreign ministers.



One of the objectives of the visit was to seek clarification from the Chinese officials on their accusations, but all members heard was repetition of the Chinese stance, according to Mr Howell.

The group also met senior Chinese officials in Beijing, including Foreign Minister Qian Qichen, and the Director of the State Council's Hong Kong and Macao Affairs Office, Lu Ping.

Mr Lu reportedly told the group that the Patten proposals violated the Basic Law by expanding the franchise to functional constituency elections and, in turn, trying to accelerate the pace of direct elections.

Mr Howell said this helped the group to understand the way the Chinese thought.

"The obvious view is put that 'will you kindly go to the other side and tell them if they miraculously move all the way to our (Chinese) position, we will then have common ground'. That's, again, not anything very new," Mr Howell said.

Apparently upset by the discussions in Beijing, FAC member David Sumberg said: "I think we have received a fairly rigid and rather negative attitude so far as the Chinese Government is concerned."

Mr Sumberg said the failure of the Chinese side to spell out the alleged wrongs of the Patten proposals would affect the progress of the negotiations.

According to Mr Howell, the Chinese officials had even expressed their dissatisfaction with the group's visit to Taiwan.

Asked whether he was hopeful an agreement could be reached, Mr Howell said: "I believe an agreement could be reached—it is important that it should. But I don't want to see an agreement at any price."

#### **Sino-British Trade 'Unlikely to Suffer'**

HK2110121993 Hong Kong AFP in English 1120 GMT 21 Oct 93

[Text] Hong Kong, Oct 21 (AFP)—British trade with China is unlikely to suffer in the long run if Sino-British talks on Hong Kong's political future collapse, the new executive director of the British Chamber of Commerce in Hong Kong said Thursday [21 October]. Christopher Hammerbeck told reporters that initially, "life would be difficult" for British businessmen if the slow-going talks on arrangements for 1994 and 1995 elections in Hong Kong break down.

But he added that "at the end of the day, the British have a lot to offer" China's fast-developing economy. "British commercial interests will protect themselves because they are there (in China) on their own merits," he said. "So I don't believe British commercial interests will be harmed in the long term at all."

He argued that while French businessmen found themselves in the line of fire over France's sale of fighter aircraft

to Taiwan earlier this year, the impact on their trade and investment was "of a short-term nature." British exports to China soared nearly 90 percent in the first eight months of this year, even as London and Beijing bickered over Governor Chris Patten's efforts to extend democracy in Hong Kong before its return to China in 1997.

#### **Sino-UK Defense, Security Panel Talks Set**

OW2210233193 Beijing XINHUA Domestic Service in Chinese 0805 GMT 22 Oct 93

[Text] Hong Kong, 22 Oct (XINHUA)—It has been disclosed that a specialist panel in charge of Hong Kong's future defense and security matters under the Sino-British Joint Liaison Group will hold its 13th round of talks in Hong Kong on 27 and 29 October. Chinese representative Luo Jiahuan and British representative Bao Yalun [name as received] will head their respective delegations. They will be assisted by their specialists.

#### **Japan Welcomes Joint Declaration and Basic Law**

HK2010060893 Hong Kong THE STANDARD in English 20 Oct 93 p 4

[Report by diplomatic editor Neville de Silva]

[Text] Japan indicated where it stood in the Sino-British political row when it said yesterday that the rule of law, a fair and open political system and a clean government were essential for Hong Kong's continued stability and prosperity.

Speaking at a lunch meeting yesterday, Japanese Consul General in Hong Kong Masaki Orita said his country welcomed the promotion of democracy under the Joint Declaration and the Basic Law.

The political reforms discussed by Britain and China were a very important aspect of the transfer of sovereignty. Orita told a joint meeting of the Trade Development Council, Hong Kong-Japan Business Cooperation Committee and The Japan Society of Hong Kong.

Hong Kong-based Asian and Western sources interpreted Orita's remarks as implicit support for Governor Patten's call for the preservation of the rule of law and the entrenchment of fair and open elections to ensure clean government.

Orita said that Japan believed Hong Kong's stability beyond 1997 was not only essential for Hong Kong, but also "important and essential for the Asia-Pacific region, including Japan and China".

Diplomatic circles interpreted this as a clear signal of Japan's interest in the future of Hong Kong, in which it has a sizeable economic stake, and Tokyo's readiness to speak out to defend those interests.

The importance of Hong Kong to Japan was underscored early this year by then Foreign Minister Michio Watanabe when the territory figured for the first time in Japan's annual foreign policy statement.

In that statement to the Japanese parliament, Watanabe indicated his country's support for open political systems and for political change in China. He hinted that Tokyo wanted to see reforms leading to an open political system.

Diplomats said at the time that this indicated Japan wanted to see political advancement in Hong Kong, too.

Watanabe's statement and yesterday's remarks by Japan's envoy here need to be seen against the background of Tokyo's publicly stated foreign policy objectives.

Japan believes that "in order to achieve lasting world peace, each nation must create a society in which freedom, human rights and democracy are respected, prosperity is ensured by a market economy and thus the happiness of individuals is guaranteed".

### **Dissident's Suit 'Frustrated' by Legalities**

*HK2010071093 Hong Kong THE STANDARD in English 20 Oct 93 p 4*

[Report by Dominic Lau and Angel Lau]

[Text] Expelled Chinese dissident Han Dongfang's attempt to take his government to court continues to be frustrated by legal hitches.

Han is suing the Public Security arm of the Chinese government for alleged wrongful expulsion from China earlier this year.

Last week, the Beijing People's Intermediate Court demanded further documentation to prove the validity of Han's application, because he was being represented by an intermediary, his legal adviser Zhou Guoqiang.

Han sent the documentation to Zhou last Friday.

The court was supposed to decide a week ago whether to hear Han's case.

Han, 30, was expelled from China on 14 August when he attempted to return to Beijing after spending a year abroad for the treatment of tuberculosis.

The government accused Han of subversive activities overseas and demanded he repent.

Lee Cheuk-yan, Confederation of Trade Unions executive director and a friend of Han's, said the court had used technicalities as grounds to declare the application invalid.

United States human rights official John Shattuck said yesterday the Chinese government was unlikely to ease its stance.

Shattuck, the assistant secretary of state for human rights and humanitarian affairs, has just ended an eight-day visit to China, where he urged that Han be allowed to return home.

"The Chinese government heard our statement attentively," he said, "but there was no indication they were going to make any change in his case at this time."

Shattuck said that by revoking Han's passport, China had sent a "quite negative" signal to overseas Chinese seeking to return home.

Shattuck spent two days in Hong Kong.

### **One-Sixth of Retailers Reportedly Paying Triads**

*HK1910090293 Hong Kong SOUTH CHINA MORNING POST in English 19 Oct 93 pp 1, 2*

[Report by Andy Gilbert]

[Text] One in six commercial businesses in Hong Kong is paying money to triads, according to a report to be published early next year.

But as many as a third of all shops outside upmarket shopping malls could be paying thousands of dollars a month to prevent damage or personal violence.

The true picture is almost certainly more serious, says the author of the report, City Polytechnic criminologist Dr Lo Tit-wing.

When details of the report are revealed early next year, they will show that the triads target street-level businesses more than those in higher-security shopping malls.

Overall, 15.7 percent of 700 owners interviewed admitted being victims.

However, Dr Lo said many would not take part in the survey out of fear of triad consequences.

He and a colleague conducted the survey between February and April this year.

"These were just the people that were prepared to tell us," said Dr Lo.

"Some of them didn't want to talk, so I think there could be a lot more."

"Commercial premises at street level where there is less security are more vulnerable."

"I think the research will show as much as 30 percent admitted being victims."

Dr Lo said these figures represented just the tip of the iceberg with fear of retribution keeping many lips sealed.

Other details of the report, conducted from a scientifically random sample, will not be made public possibly until early next year.

But they show the extent of extortion in the territory and that it is not just confined to certain areas such as construction and entertainment.

On Saturday, police arrested 24 suspected triads and claimed to have smashed a construction industry extortion racket operated by the notorious Sun Yee On, which has more than 60,000 members.

Detectives believe construction sites in Tuen Mun, Sun Yee On's stronghold, paid up to \$3 million protection money during the past year.

Dr Lo said he hoped his report would highlight the extent of the problem, showing that organized crime had seeped into every area of the territory and almost every walk of life.

"From the arrests last week, it has become very obvious that the extent of the extortion problem in Hong Kong is very serious. But there has been no detailed study carried out before.

"The police always deny the problem is all that serious. They want us to feel at ease and that Hong Kong is a peaceful place.

"But we want to show from our figures that it is not safe. I hope when the report is published the police will admit the problem and do something as a remedy."

Detective Chief Superintendent Chan Tit-kin, head of the Organized Crime and Triad Group (OCTG), admitted the problem was widespread, but said the criticism was unwarranted.

"You could put any figure on it. There are some areas where extortion is widespread and others where it isn't," he said.

"We never try to hide any problem. The more we hide a problem the worse it gets.

"Would these one-in-six stand up in court and testify?" The police said commercial businesses could be asked to pay anything from a few hundred dollars a month upwards, with franchised and larger operations expected to pay a lot more.

The Acting Superintendent of the OCTG, Dave Grant, said the main problem was people failing to come forward.

"I'm certainly not shocked by these figures," he said.

"Extortion is very much endemic and ingrained in society here. The problem is getting people to admit it."

He said it was well known that street hawkers, restaurants and bars, construction sites and mini-bus drivers were especially vulnerable, but that every business was a target.

But even when police videotaped hawkers handing over protection money during an operation in 1991, many were reluctant to admit they were victims, he said.

### Intelligence Units Tracking Illegal Emigrants

HK2410085493 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 24 Oct 93 p 4

[Unattributed report]

[Text] Overseas intelligence units based in Hong Kong are tracking another shipload of 53 ex-China Vietnamese illegal immigrants (ECVIs) off the coast of Indonesia in the latest "human cargo" vessel making its way to Australia. Investigators in the territory are also searching for another eight ships they believe are in the region waiting to pick up more than 1,000 Chinese to take them to the US.

According to a spokeswoman at the Indonesian Consulate in Hong Kong, the group was turned away by Vietnam, Thailand, Malaysia and Singapore before landing at Tuban, east of Jakarta. She said they boarded the "very old boat" in China seven weeks ago. The group was given shelter in Tuban while they repaired their vessel, and 10 members of the group of men, women, and children were taken to hospital suffering from hepatitis. "Some are in very bad condition," the consulate spokeswoman said. She said the group, none of whom had passports, would be given fuel, food and medical supplies and would be escorted out of Indonesian territory to international waters within the next two days by a navy warship.

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